

**CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2014-1
(Transbay Transit Center)**

**AMENDED AND RESTATED
COMMUNITY FACILITIES DISTRICT REPORT**

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CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2014-1
(Transbay Transit Center)

INTRODUCTION

Requirements of the Act. The Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco (the "City") did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), on July 15, 2014, adopt a resolution entitled "Resolution of Intention to Establish City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining other matters in connection therewith" (the "Resolution of Intention"), which Resolution of Intention was signed by the Mayor of the City on July 25, 2014. In the Resolution of Intention, the Board of Supervisors expressly ordered the preparation of a written Community Facilities District Report, for the proposed "City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)" (the "CFD").

The Resolution of Intention ordering the written Community Facilities District Report directed that the written Community Facilities District Report generally contain the following:

(a) A description of the facilities (the "Facilities") by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Board of Supervisors.

Public Hearing. Prior to the opening of the public hearings for the CFD on September 2, 2014, the Director of the Office of Public Finance submitted to the Clerk of the Board of Supervisors a written Community Facilities District Report (the "Original Report"). At the time of the public hearings on September 2, 2014, City staff recommended to the Board of Supervisors that it consider modifying the rate and method of apportionment of special tax that was described in the Resolution of Intention and Exhibit B thereto. The proposed changes were reflected in an Amended and Restated Rate and Method that was attached to the Original Report.

Public Hearings Continued; Further Amendments to the Rate and Method. The Board of Supervisors opened the public hearings for the CFD on September 2, 2014 and continued them to September 9, 2014. At the time of the public hearings on September 9, 2014, City staff recommended to the Board of Supervisors that it consider further modifying the rate and method of apportionment of special tax. The Board of Supervisors further continued the public hearings to September 23, 2014. The proposed changes are reflected in the Amended and Restated Rate and Method of Apportionment of Special Tax in the form attached hereto as Exhibit "C" attached hereto and hereby made a part hereof (the "Proposed RMA").

The Original Report is amended and restated pursuant to this Amended and Restated Community Facilities District Report (this "Report") for the purpose of including the Proposed RMA.

CFD Formation Report. This Report also constitutes the "CFD formation study" contemplated by the Transit Center District Plan Program Implementation Document dated May 16, 2012 (the "Implementation Document").

As such, attached hereto as Exhibit "D" and hereby made a part of this Report is a CFD Formation Study, which summarizes the factors used to calculate the proposed special tax rates set forth in the Proposed RMA.

NOW, THEREFORE, I, the Director of the Office of Public Finance of the City, do hereby submit the following data:

A. **DESCRIPTION OF FACILITIES.** A general description of the proposed Facilities is as shown in Exhibit "A" attached hereto and hereby made a part hereof. As described on Exhibit A, a portion of the proposed facilities will be owned by the City, a portion will be owned by the Transbay Joint Powers Authority and a portion will be owned by the Bay Area Rapid Transit District.

B. **PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are as set forth in the map of the CFD previously recorded in the Assessor-Recorder's Office on July 29, 2014 at 2:38 p.m. as Document No. 2014-J915559-00 in Book 001 Pages 75 and 76 of the Book of Maps of Assessment and Community Facilities Districts, to which reference is hereby made.

The Board of Supervisors also declared in the Resolution of Intention its intent to form a future annexation area (the "Future Annexation Area") for the CFD. Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed. The proposed boundaries of the Future Annexation Area are also described on the attached map of the CFD.

C. **COST ESTIMATE.** The cost estimate for the Facilities for the CFD is set forth in Exhibit "B" attached hereto and hereby made a part hereof.

Dated as of September ²³_, 2014

By: 
Director, Office of Public Finance
City and County of San Francisco

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2014-1 (Transbay Transit Center)

Description of Facilities to be Financed by the CFD

City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (the "CFD") will pay or finance all or a portion of the costs of the following facilities (the "Facilities"). The Facilities will be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the City and County of San Francisco (the "City") or other applicable public agencies.

FACILITIES

I. Streetscape and Pedestrian Improvements

Primary Streets (Mission, Howard, Folsom, Fremont, 1st, 2nd, New Montgomery): Improve existing primary streets in the Transit Center District, including Mission, Howard, Folsom, Fremont, 1st, 2nd, and New Montgomery Streets. Improvements would include sidewalk widening to accommodate additional pedestrian traffic from new development and the Transbay Transit Center, pedestrian and streetscape amenities, bicycle facilities, transit upgrades such as dedicated transit lanes, boarding islands, enhanced shelters and curb extensions to serve transit stops, and roadway circulation, parking, and loading changes. Recommended changes to Primary Streets would be informed by traffic studies to be funded by the CFD.

Living Streets (Beale, Main, and Spear Streets North of Folsom to Market Street): Improve Beale, Main, and Spear Streets from Folsom Street to Market Street by significantly expanding the sidewalk on one side of each street to approximately 30 feet and reducing the number of traffic lanes to one lane in either direction. Beale and Main Streets would feature a bike lane in the direction of traffic. Within the widened sidewalks, the Living Streets would include linear park space along the length of each block and provide additional open space and pedestrian amenities. The enhancements would include pedestrian amenities, street trees and landscaping, pedestrian lighting, street furniture, pocket parks, active uses, and curb extensions.

Alleys (Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Street): Improve Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Streets and other alleys within the project area. Alley improvements would include a variety of pedestrian improvements, including sidewalk widening, landscaping, pedestrian lighting, and street furniture, and potential redesign as single-surface shared pedestrian/vehicle ways.

Fremont/Folsom Freeway Off-Ramp Realignment: Realign the Fremont/Folsom Bay Bridge off-ramp so that it creates a "T" intersection with Fremont Street. This would enhance the safety of pedestrians crossing the off-ramp by standardizing the alignment of the off-ramp and improve the conditions along Folsom Street, planned as a major pedestrian boulevard.

Mid-block Crossings: Analyze and build new crosswalks at various mid-block locations in the Project Area. Mid-block crosswalks would include crosswalk striping at a minimum. They may also include new traffic signals, curb extensions, and other pedestrian safety features as appropriate.

Signalization: Upgrade or install traffic signals at approximately 25 intersections in the Project Area. Traffic signal upgrades would be done in conjunction with overall circulation and street improvements in the Project Area.

Natoma Street: Create a pedestrian plaza and link to the Transit Center between 1st and 2nd Streets. The western two-thirds of Natoma Street between First and Second Streets would be closed to vehicles. Service vehicles and deliveries may be able to access this portion of Natoma Street during night and early morning hours before peak transit and retail times. The eastern one-third of Natoma Street (nearest to First Street) would remain open to vehicles to maintain access to parking and loading for existing buildings on the north side of Howard Street. The pedestrian space would include a new curbside single-surface space including decorative paving, pedestrian lighting, landscaping, and street furniture.

Casual Carpool waiting area improvements: Improve drop-off and pick-up zones at casual carpool locations in the Project Area, including sufficient sidewalk waiting and passenger loading/unloading space and amenities, including shelters, seating, informational signage and other supportive services.

II. Transit and Other Transportation

Transit Delay Mitigation: Pay for the purchase of new transit vehicles to mitigate transportation impacts attributable to increased Project Area congestion.

BART Station Capacity: Enhance capacity constraints at Embarcadero and Montgomery Stations regarding crowding on platforms, vertical circulation, and the “dwell time” required for trains to load and unload passengers, which would be exacerbated by the additional transit riders brought on by new development and the Transbay Transit Center. Potential capacity enhancement measures could include additional vertical circulation (e.g. stairwells, escalators, and elevators), additional fare gates, improvements to the train control system to allow for more frequent service, platform edge doors, and better real-time public information displays on train arrivals at concourse and street levels.

Congestion Charging Pilot: Study, design and construct capital improvements relating to a congestion charging pilot program, potentially including fare booths, signals, electronic monitoring equipment, and the like. Conduct necessary analyses to inform the appropriate triggers, mechanisms, and capital improvements required for a congestion pricing pilot program to manage traffic volumes entering and exiting the CFD.

Underground Pedestrian Connector: Create an underground pedestrian tunnel connecting the Transbay Transit Center with the Embarcadero BART/Muni Metro Station, increasing circulation space available for pedestrians and creating a seamless link between the two transit stations.

Downtown Rail Extension (DTX): Extend the Caltrain rail tracks to the new Transbay Transit Center to accommodate Caltrain and California High Speed Rail, and construct the train

components of the Transit Center building including associated systems. The funding would pay for the planning, engineering, right-of-way acquisition, and construction of the DTX.

III. Public Open space

City Park: Plan, design and construct public open space on the roof of the Transbay Transit Center.

City Park Connections: Provide connections to the Transbay Transit Center’s City Park from adjacent private buildings or from public streets and plazas. Connections could include sky bridges, or connections from ground level to park level, such as elevators, escalators, funiculars, gondolas or similar means of conveying people to City Park. Connections would be required to be publicly accessible during standard hours so that members of the public could easily access City Park.

2nd and Howard Public Plaza: Create an approximately 0.5-acre open space at the corner of 2nd and Howard Streets, on a grouping of parcels located on top of the future train tunnel. The open space would serve as a major access point to the adjacent Transbay Transit Center, including featuring a possible connection to the elevated City Park on the roof of the Transit Center. The open space design would be determined through a public design process.

Transbay Park: Transbay Park would be a new approximately 1.1-acre park, located between Main, Beale, Tehama, and Clementina Streets. The Park would provide a mix of active and passive recreation spaces.

Chinatown Open Space Improvements: Improvements to multiple public open spaces in Chinatown whose use would be increased by new development in the Project Area. The open space improvements may include enhancements to Portsmouth Square, a new open space at the Chinatown Central Subway Station, and improvements to other Chinatown parks. Specific open space improvements would be determined through a public design process.

Other Downtown Open Space Improvements: Improvements to multiple public open spaces in Downtown, whose use would be increased by new development in the Project Area. Specific locations for open space improvements have not been identified yet.

Mission Square: Public plaza at the entrance to the new Transbay Transit Center at the corner of Fremont and Mission Streets. The plaza would create passive open space and circulation space for people entering and exiting the Transit Center and the adjacent Transit Tower development.

Under-Ramp Park: Under-Ramp Park would be a new system of open spaces, built adjacent to and under the Bay Bridge off-ramps and bus ramps to the Transbay Transit Center, between Harrison, Howard, First, and Second Streets. The Park would provide a mix of active and passive recreation spaces.

IV. Other Transit Center District Public Improvements

The Facilities include the other public improvements not listed above but described in the Transit Center District Plan Program Implementation Document, dated May 16, 2012, as such Document may be amended from time to time.

The costs to be financed include the costs of the acquisition of right-of-way (including right-of-way that is intended to be dedicated by the recording of a final map), the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

OTHER

The CFD may also finance any of the following:

1. Bond or other debt-related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.

2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD and the bonds or other debt.

3. Reimbursement of costs related to the formation of the CFD advanced by the City, the landowner(s) in the CFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.

4. The CFD may also pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the CFD or may pay debt service on that indebtedness. In addition, tax revenues of the CFD may be used to make lease or debt service payments on any lease, lease-purchase contract, or certificate of participation used to finance facilities authorized to be financed by the CFD.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2014-1 (Transbay Transit Center)

The following is a summary of the estimated costs of acquisition and construction of the Facilities.

Public Improvement	Estimated Cost
Streetscape and Pedestrian	
Primary Streets (Mission, Howard, Fremont, 1st, 2nd, New Montgomery)*^	\$106,000,000
Living Streets (Spear, Main, Beale)*	\$23,300,000
Alleys*	\$32,000,000
Fremont/Folsom off-ramp realignment	\$2,500,000
Mid-Block Crossings	\$3,000,000
Signalization	\$8,750,000
Natoma Street	\$11,000,000
Casual Carpool Waiting Area Improvements	\$250,000
Transit And Other Transportation	
Transit Delay Mitigation	\$3,000,000
BART Station Capacity	\$10,000,000
Congestion Charging Pilot	\$1,000,000
Underground Pedestrian Connector	\$125,000,000
Downtown Rail Extension	\$2,598,800,000
Open Space	
City Park	\$50,000,000
City Park connections	\$18,500,000
2nd/Howard	\$15,000,000
Transbay Park	\$10,100,000
<i>Improvements to Downtown/Chinatown Parks</i>	
<i>Outside Plan Area</i>	
Chinatown Open Space Improvements	\$9,000,000
Other Downtown Open Space Improvements	\$3,500,000
Mission Square	\$10,000,000
Bus Ramps/Oscar Park	<u>\$18,300,000</u>
Total	\$3,059,000,000

*Includes Zone 1 streets and alleys

^Includes Traffic Studies (approx. \$600,000)

In addition to the acquisition and construction costs of the Facilities, the City will finance bond or other debt-issuance costs, capitalized interest, a debt service reserve fund and other costs associated with the sale of bonds or other debt and annual administration of the CFD.

The estimated bond or other debt issuance costs are approximately 5 percent of the principal amount of the bond or other debt. The estimated costs of determining the amount of

taxes, collecting special taxes, allocating special taxes, and other costs incurred in order to carry out the authorized purposes of the CFD is approximately \$70,000 per year.

The estimated costs of forming the CFD are approximately \$150,000.

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2014-1 (TRANSBAY TRANSIT CENTER)

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Taxable Parcel in the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Square Footage within Taxable Buildings, as described below. All Taxable Parcels in the CFD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“**Administrative Expenses**” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City and TJPA carrying out duties with respect to CFD No. 2014-1 and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the City Controller’s Office and/or the City Treasurer and Tax Collector’s Office, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Tax, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TJPA in any way related to the establishment or administration of the CFD.

“**Administrator**” means the Director of the Office of Public Finance who shall be responsible for administering the Special Tax according to this RMA.

“**Affordable Housing Project**” means a residential or primarily residential project, as determined by the Zoning Authority, within which all Residential Units are Below Market Rate Units. All Land Uses within an Affordable Housing Project are exempt from the Special Tax, as provided in Section G and are subject to the limitations set forth in Section D.4 below.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land parcel.

“Apartment Building” means a residential or mixed-use Building within which none of the Residential Units have been sold to individual homebuyers.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Authorized Facilities” means those public facilities authorized to be funded by the CFD as set forth in the CFD formation proceedings.

“Base Special Tax” means the Special Tax per square foot that is used to calculate the Maximum Special Tax that applies to a Taxable Parcel pursuant to Sections C.1 and C.2 of this RMA. The Base Special Tax shall also be used to determine the Maximum Special Tax for any Net New Square Footage added to a Taxable Building in the CFD in future Fiscal Years.

“Below Market Rate Units” or **“BMR Units”** means all Residential Units within the CFD that have a deed restriction recorded on title of the property that (i) limits the rental price or sales price of the Residential Unit, (ii) limits the appreciation that can be realized by the owner of such unit, or (iii) in any other way restricts the current or future value of the unit.

“Board” means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2014-1.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, incurred, or assumed by the CFD related to the Authorized Facilities.

“Building” means a permanent enclosed structure that is, or is part of, a Conditioned Project.

“Building Height” means the number of Stories in a Taxable Building, which shall be determined based on the highest Story that is occupied by a Land Use. If only a portion of a Building is a Conditioned Project, the Building Height shall be determined based on the highest Story that is occupied by a Land Use regardless of where in the Building the Taxable Parcels are located. If there is any question as to the Building Height of any Taxable Building in the CFD, the Administrator shall coordinate with the Zoning Authority to make the determination.

“Certificate of Exemption” means a certificate issued to the then-current record owner of a Parcel that indicates that some or all of the Square Footage on the Parcel has prepaid the Special Tax obligation or has paid the Special Tax for thirty Fiscal Years and, therefore, such Square Footage shall, in all future Fiscal Years, be exempt from the levy of Special Taxes in the CFD. The Certificate of Exemption shall identify (i) the Assessor’s Parcel number(s) for the Parcel(s)

on which the Square Footage is located, (ii) the amount of Square Footage for which the exemption is being granted, (iii) the first and last Fiscal Year in which the Special Tax had been levied on the Square Footage, and (iv) the date of receipt of a prepayment of the Special Tax obligation, if applicable.

“Certificate of Occupancy” or **“COO”** means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a Building or a portion of a Building has met all of the building codes and can be occupied for residential and/or non-residential use. For purposes of this RMA, “Certificate of Occupancy” shall not include any certificate of occupancy that was issued prior to January 1, 2013 for a Building within the CFD; however, any subsequent certificates of occupancy that are issued for new construction or expansion of the Building shall be deemed a Certificate of Occupancy and the associated Parcel(s) shall be categorized as Taxable Parcels if the Building is, or is part of, a Conditioned Project and a Tax Commencement Letter has been provided to the Administrator for the Building.

“CFD” or **“CFD No. 2014-1”** means the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center).

“Child Care Square Footage” means, collectively, the Exempt Child Care Square Footage and Taxable Child Care Square Footage within a Taxable Building in the CFD.

“City” means the City and County of San Francisco.

“Conditioned Project” means a Development Project that is required to participate in funding Authorized Facilities through the CFD.

“Converted Apartment Building” means a Taxable Building that had been designated as an Apartment Building within which one or more Residential Units are subsequently sold to a buyer that is not a Landlord.

“Converted For-Sale Unit” means, in any Fiscal Year, an individual Market Rate Unit within a Converted Apartment Building for which an escrow has closed, on or prior to June 30 of the preceding Fiscal Year, in a sale to a buyer that is not a Landlord.

“County” means the City and County of San Francisco.

“CPC” means the Capital Planning Committee of the City and County of San Francisco, or if the Capital Planning Committee no longer exists, “CPC” shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

“Development Project” means a residential, non-residential, or mixed-use development that includes one or more Buildings, or portions thereof, that are planned and entitled in a single application to the City.

“Exempt Child Care Square Footage” means Square Footage within a Taxable Building that, at the time of issuance of a COO, is determined by the Zoning Authority to be reserved for one or more licensed child care facilities. If a prepayment is made in association with any Taxable Child Care Square Footage, such Square Footage shall also be deemed Exempt Child Care Square Footage beginning in the Fiscal Year following receipt of the prepayment.

“Exempt Parking Square Footage” means the Square Footage of parking within a Taxable Building that, pursuant to Sections 151.1 and 204.5 of the Planning Code, is estimated to be needed to serve Land Uses within a building in the CFD, as determined by the Zoning Authority. If a prepayment is made in association with any Taxable Parking Square Footage, such Square Footage shall also be deemed Exempt Parking Square Footage beginning in the Fiscal Year following receipt of the prepayment.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“For-Sale Residential Square Footage” or **“For-Sale Residential Square Foot”** means Square Footage that is or is expected to be part of a For-Sale Unit. The Zoning Authority shall make the determination as to the For-Sale Residential Square Footage within a Taxable Building in the CFD. For-Sale Residential Square Foot means a single square-foot unit of For-Sale Residential Square Footage.

“For-Sale Unit” means (i) in a Taxable Building that is not a Converted Apartment Building: a Market Rate Unit that has been, or is available or expected to be, sold, and (ii) in a Converted Apartment Building, a Converted For-Sale Unit. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2014-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Initial Annual Adjustment Factor” means, as of July 1 of any Fiscal Year, the Annual Infrastructure Construction Cost Inflation Estimate published by the Office of the City Administrator’s Capital Planning Group and used to calculate the annual adjustment to the City’s development impact fees that took effect as of January 1 of the prior Fiscal Year pursuant to Section 409(b) of the Planning Code, as may be amended from time to time. If changes are made to the office responsible for calculating the annual adjustment, the name of the inflation index, or the date on which the development fee adjustment takes effect, the Administrator shall continue to rely on whatever annual adjustment factor is applied to the City’s development impact fees in order to calculate adjustments to the Base Special Taxes pursuant to Section D.1 below. Notwithstanding the foregoing, the Base Special Taxes shall, in no Fiscal Year, be increased or decreased by more than four percent (4%) of the amount in effect in the prior Fiscal Year.

“Initial Square Footage” means, for any Taxable Building in the CFD, the aggregate Square Footage of all Land Uses within the Building, as determined by the Zoning Authority upon issuance of the COO.

“IPIC” means the Interagency Plan Implementation Committee, or if the Interagency Plan Implementation Committee no longer exists, “IPIC” shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

“Land Use” means residential, office, retail, hotel, parking, or child care use. For purposes of this RMA, the City shall have the final determination of the actual Land Use(s) on any Parcel within the CFD.

“Landlord” means an entity that owns at least twenty percent (20%) of the Rental Units within an Apartment Building or Converted Apartment Building.

“Market Rate Unit” means a Residential Unit that is not a Below Market Rate Unit.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Taxable Parcel in the CFD in any Fiscal Year, as determined in accordance with Section C below.

“Net New Square Footage” means any Square Footage added to a Taxable Building after the Initial Square Footage in the Building has paid Special Taxes in one or more Fiscal Years.

“Office/Hotel Square Footage” or **“Office/Hotel Square Foot”** means Square Footage that is or is expected to be: (i) Square Footage of office space in which professional, banking, insurance, real estate, administrative, or in-office medical or dental activities are conducted, (ii) Square Footage that will be used by any organization, business, or institution for a Land Use that does not meet the definition of For-Sale Residential Square Footage Rental Residential Square Footage, or Retail Square Footage, including space used for cultural, educational, recreational, religious, or social service facilities, (iii) Taxable Child Care Square Footage, (iv) Square Footage in a residential care facility that is staffed by licensed medical professionals, and (v) any other Square Footage within a Taxable Building that does not fall within the definition provided for other Land Uses in this RMA. Notwithstanding the foregoing, street-level retail bank branches, real estate brokerage offices, and other such ground-level uses that are open to the public shall be categorized as Retail Square Footage pursuant to the Planning Code. Office/Hotel Square Foot means a single square-foot unit of Office/Hotel Square Footage.

For purposes of this RMA, “Office/Hotel Square Footage” shall also include Square Footage that is or is expected to be part of a non-residential structure that constitutes a place of lodging, providing temporary sleeping accommodations and related facilities. All Square Footage that shares an Assessor’s Parcel number within such a non-residential structure, including Square Footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses shall be categorized as Office/Hotel Square Footage. If there are separate Assessor’s Parcel numbers for these other uses, the Administrator shall apply the Base Special Tax for Retail Square Footage to determine the Maximum Special Tax for Parcels on which a restaurant, gift shop, spa, or other retail use is located or anticipated, and the Base Special Tax for Office/Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on

which other uses in the building are located. The Zoning Authority shall make the final determination as to the amount of Office/Hotel Square Footage within a building in the CFD.

“Planning Code” means the Planning Code of the City and County of San Francisco, as may be amended from time to time.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Taxable Parcels.

“Rental Residential Square Footage” or **“Rental Residential Square Foot”** means Square Footage that is or is expected to be used for one or more of the following uses: (i) Rental Units, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility that is not staffed by licensed medical professionals. The Zoning Authority shall make the determination as to the amount of Rental Residential Square Footage within a Taxable Building in the CFD. Rental Residential Square Foot means a single square-foot unit of Rental Residential Square Footage.

“Rental Unit” means (i) all Market Rate Units within an Apartment Building, and (ii) all Market Rate Units within a Converted Apartment Building that have yet to be sold to an individual homeowner or investor. “Rental Unit” shall not include any Residential Unit which has been purchased by a homeowner or investor and subsequently offered for rent to the general public. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

“Retail Square Footage” or **“Retail Square Foot”** means Square Footage that is or, based on the Certificate of Occupancy, will be Square Footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, all Taxable Parking Square Footage in a Building, and all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, shall be categorized as Retail Square Footage for purposes of calculating the Maximum Special Tax pursuant to Section C below. The Zoning Authority shall make the final determination as to the amount of Retail Square Footage within a Taxable Building in the CFD. Retail Square Foot means a single square-foot unit of Retail Square Footage.

“Residential Unit” means an individual townhome, condominium, live/work unit, or apartment within a Building in the CFD.

“Residential Use” means (i) any and all Residential Units within a Taxable Building in the CFD, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses,

dormitories, housing operated by medical institutions, and single room occupancy units, and (iii) a residential care facility that is not staffed by licensed medical professionals.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) create and/or replenish reserve funds for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (ii) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay such costs as determined by the Administrator.

“Square Footage” means, for any Taxable Building in the CFD, the net saleable or leasable square footage of each Land Use on each Taxable Parcel within the Building, as determined by the Zoning Authority. If a building permit is issued to increase the Square Footage on any Taxable Parcel, the Administrator shall, in the first Fiscal Year after the final building permit inspection has been conducted in association with such expansion, work with the Zoning Authority to recalculate (i) the Square Footage of each Land Use on each Taxable Parcel, and (ii) the Maximum Special Tax for each Taxable Parcel based on the increased Square Footage. The final determination of Square Footage for each Land Use on each Taxable Parcel shall be made by the Zoning Authority.

“Story” or **“Stories”** means a portion or portions of a Building, except a mezzanine as defined in the City Building Code, included between the surface of any floor and the surface of the next floor above it, or if there is no floor above it, then the space between the surface of the floor and the ceiling next above it.

“Taxable Building” means, in any Fiscal Year, any Building within the CFD that is, or is part of, a Conditioned Project, and for which a Certificate of Occupancy was issued and a Tax Commencement Authorization was received by the Administrator on or prior to June 30 of the preceding Fiscal Year. If only a portion of the Building is a Conditioned Project, as determined by the Zoning Authority, that portion of the Building shall be treated as a Taxable Building for purposes of this RMA.

“Tax Commencement Authorization” means a written authorization issued by the Administrator upon the recommendations of the IPIC and CPC in order to initiate the levy of the Special Tax on a Conditioned Project that has been issued a COO.

“Taxable Child Care Square Footage” means the amount of Square Footage determined by subtracting the Exempt Child Care Square Footage within a Taxable Building from the total net leasable square footage within a Building that is used for licensed child care facilities, as determined by the Zoning Authority.

“Taxable Parcel” means, within a Taxable Building, any Parcel that is not exempt from the Special Tax pursuant to law or Section G below. If, in any Fiscal Year, a Special Tax is levied on only Net New Square Footage in a Taxable Building, only the Parcel(s) on which the Net New Square Footage is located shall be Taxable Parcel(s) for purposes of calculating and levying the Special Tax pursuant to this RMA.

“Taxable Parking Square Footage” means Square Footage of parking in a Taxable Building that is determined by the Zoning Authority not to be Exempt Parking Square Footage.

“TJPA” means the Transbay Joint Powers Authority.

“Zoning Authority” means either the City Zoning Administrator, the Executive Director of the San Francisco Office of Community Investment and Infrastructure, or an alternate designee from the agency or department responsible for the approvals and entitlements of a project in the CFD. If there is any doubt as to the responsible party, the Administrator shall coordinate with the City Zoning Administrator to determine the appropriate party to serve as the Zoning Authority for purposes of this RMA.

B. DATA FOR CFD ADMINISTRATION

On or after July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Taxable Parcels in the CFD. In order to identify Taxable Parcels, the Administrator shall confirm which Buildings in the CFD have been issued both a Tax Commencement Authorization and a COO.

The Administrator shall also work with the Zoning Authority to confirm: (i) the Building Height for each Taxable Building , (ii) the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and Retail Square Footage on each Taxable Parcel, (iii) if applicable, the number of BMR Units and aggregate Square Footage of BMR Units within the Building, (iv) whether any of the Square Footage on a Parcel is subject to a Certificate of Exemption, and (v) the Special Tax Requirement for the Fiscal Year. In each Fiscal Year, the Administrator shall also keep track of how many Fiscal Years the Special Tax has been levied on each Parcel within the CFD. If there is Initial Square Footage and Net New Square Footage on a Parcel, the Administrator shall separately track the duration of the Special Tax levy in order to ensure compliance with Section F below.

In any Fiscal Year, if it is determined by the Administrator that (i) a parcel map or condominium plan for a portion of property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), and (ii) the Assessor does not yet recognize the newly-created parcels, the Administrator shall calculate the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

C. DETERMINATION OF THE MAXIMUM SPECIAL TAX

1. Base Special Tax

Once the Building Height of, and Land Use(s) within, a Taxable Building have been identified, the Base Special Tax to be used for calculation of the Maximum Special Tax for each Taxable Parcel within the Building shall be determined based on reference to the applicable table(s) below:

FOR-SALE RESIDENTIAL SQUARE FOOTAGE

<i>Building Height</i>	<i>Base Special Tax Fiscal Year 2013-14*</i>
1 – 5 Stories	\$4.71 per For-Sale Residential Square Foot
6 – 10 Stories	\$5.02 per For-Sale Residential Square Foot
11 – 15 Stories	\$6.13 per For-Sale Residential Square Foot
16 – 20 Stories	\$6.40 per For-Sale Residential Square Foot
21 – 25 Stories	\$6.61 per For-Sale Residential Square Foot
26 – 30 Stories	\$6.76 per For-Sale Residential Square Foot
31 – 35 Stories	\$6.88 per For-Sale Residential Square Foot
36 – 40 Stories	\$7.00 per For-Sale Residential Square Foot
41 – 45 Stories	\$7.11 per For Sale Residential Square Foot
46 – 50 Stories	\$7.25 per For-Sale Residential Square Foot
More than 50 Stories	\$7.36 per For-Sale Residential Square Foot

RENTAL RESIDENTIAL SQUARE FOOTAGE

<i>Building Height</i>	<i>Base Special Tax Fiscal Year 2013-14*</i>
1 – 5 Stories	\$4.43 per Rental Residential Square Foot
6 – 10 Stories	\$4.60 per Rental Residential Square Foot
11 – 15 Stories	\$4.65 per Rental Residential Square Foot
16 – 20 Stories	\$4.68 per Rental Residential Square Foot
21 – 25 Stories	\$4.73 per Rental Residential Square Foot
26 – 30 Stories	\$4.78 per Rental Residential Square Foot
31 – 35 Stories	\$4.83 per Rental Residential Square Foot
36 – 40 Stories	\$4.87 per Rental Residential Square Foot
41 – 45 Stories	\$4.92 per Rental Residential Square Foot
46 – 50 Stories	\$4.98 per Rental Residential Square Foot
More than 50 Stories	\$5.03 per Rental Residential Square Foot

OFFICE/HOTEL SQUARE FOOTAGE

<i>Building Height</i>	<i>Base Special Tax Fiscal Year 2013-14*</i>
1 – 5 Stories	\$3.45 per Office/Hotel Square Foot
6 – 10 Stories	\$3.56 per Office/Hotel Square Foot
11 – 15 Stories	\$4.03 per Office/Hotel Square Foot
16 – 20 Stories	\$4.14 per Office/Hotel Square Foot
21 – 25 Stories	\$4.25 per Office/Hotel Square Foot
26 – 30 Stories	\$4.36 per Office/Hotel Square Foot
31 – 35 Stories	\$4.47 per Office/Hotel Square Foot
36 – 40 Stories	\$4.58 per Office/Hotel Square Foot
41 – 45 Stories	\$4.69 per Office/Hotel Square Foot
46 – 50 Stories	\$4.80 per Office/Hotel Square Foot
More than 50 Stories	\$4.91 per Office/Hotel Square Foot

RETAIL SQUARE FOOTAGE

<i>Building Height</i>	<i>Base Special Tax Fiscal Year 2013-14*</i>
N/A	\$3.18 per Retail Square Foot

* *The Base Special Tax rates shown above for each Land Use shall escalate as set forth in Section D.1 below.*

2. *Determining the Maximum Special Tax for Taxable Parcels*

Upon issuance of a Tax Commencement Authorization and the first Certificate of Occupancy for a Taxable Building within a Conditioned Project that is not an Affordable Housing Project, the

Administrator shall coordinate with the Zoning Authority to determine the Square Footage of each Land Use on each Taxable Parcel. The Administrator shall then apply the following steps to determine the Maximum Special Tax for the next succeeding Fiscal Year for each Taxable Parcel in the Taxable Building:

- Step 1.* Determine the Building Height for the Taxable Building for which a Certificate of Occupancy was issued.
- Step 2.* Determine the For-Sale Residential Square Footage and/or Rental Residential Square Footage for all Residential Units on each Taxable Parcel, as well as the Office/Hotel Square Footage and Retail Square Footage on each Taxable Parcel.
- Step 3.* ***For each Taxable Parcel that includes only For-Sale Units***, multiply the For-Sale Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 4.* ***For each Taxable Parcel that includes only Rental Units***, multiply the Rental Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 5.* ***For each Taxable Parcel that includes only Residential Uses other than Market Rate Units***, net out the Square Footage associated with any BMR Units and multiply the remaining Rental Residential Square Footage (if any) by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 6.* ***For each Taxable Parcel that includes only Office/Hotel Square Footage***, multiply the Office/Hotel Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 7.* ***For each Taxable Parcel that includes only Retail Square Footage***, multiply the Retail Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 8.* ***For Taxable Parcels that include multiple Land Uses***, separately determine the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and/or Retail Square Footage. Multiply the Square Footage of each Land Use by the applicable Base Special Tax from Section C.1, and sum the individual amounts to determine the aggregate Maximum Special Tax for the Taxable Parcel for the first succeeding Fiscal Year.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Base Special Tax*

The Base Special Tax rates identified in Section C.1 are applicable for fiscal year 2013-14. Beginning July 1, 2014 and each July 1 thereafter, the Base Special Taxes shall be adjusted by the Initial Annual Adjustment Factor. The Base Special Tax rates shall be used to calculate the Maximum Special Tax for each Taxable Parcel in a Taxable Building for the first Fiscal Year in which the Building is a Taxable Building, as set forth in Section C.2 and subject to the limitations set forth in Section D.3.

2. *Adjustment of the Maximum Special Tax*

After a Maximum Special Tax has been assigned to a Parcel for its first Fiscal Year as a Taxable Parcel pursuant to Section C.2 and Section D.1, the Maximum Special Tax shall escalate for subsequent Fiscal Years beginning July 1 of the Fiscal Year after the first Fiscal Year in which the Parcel was a Taxable Parcel, and each July 1 thereafter, by two percent (2%) of the amount in effect in the prior Fiscal Year. In addition to the foregoing, the Maximum Special Tax assigned to a Taxable Parcel shall be increased in any Fiscal Year in which the Administrator determines that Net New Square Footage was added to the Parcel in the prior Fiscal Year.

3. *Converted Apartment Buildings*

If an Apartment Building in the CFD becomes a Converted Apartment Building, the Administrator shall rely on information from the County Assessor, site visits to the sales office, data provided by the entity that is selling Residential Units within the Building, and any other available source of information to track sales of Residential Units. In the first Fiscal Year in which there is a Converted For-Sale Unit within the Building, the Administrator shall determine the applicable Base Maximum Special Tax for For-Sale Residential Units for that Fiscal Year. Such Base Maximum Special Tax shall be used to calculate the Maximum Special Tax for all Converted For-Sale Units in the Building in that Fiscal Year. In addition, this Base Maximum Special Tax, escalated each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year, shall be used to calculate the Maximum Special Tax for all future Converted For-Sale Units within the Building. Solely for purposes of calculating Maximum Special Taxes for Converted For-Sale Units within the Converted Apartment Building, the adjustment of Base Maximum Special Taxes set forth in Section D.1 shall not apply. All Rental Residential Square Footage within the Converted Apartment Building shall continue to be subject to the Maximum Special Tax for Rental Residential Square Footage until such time as the units become Converted For-Sale Units. The Maximum Special Tax for all Taxable Parcels within the Building shall escalate each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year.

4. *BMR Unit/Market Rate Unit Transfers*

If, in any Fiscal Year, the Administrator determines that a Residential Unit that had previously been designated as a BMR Unit no longer qualifies as such, the Maximum Special Tax on the

new Market Rate Unit shall be established pursuant to Section C.2 and adjusted, as applicable, by Sections D.1 and D.2. If a Market Rate Unit becomes a BMR Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit, the Maximum Special Tax on such Residential Unit shall not be decreased unless: (i) a BMR Unit is simultaneously redesignated as a Market Rate Unit, and (ii) such redesignation results in a Maximum Special Tax on the new Market Rate Unit that is greater than or equal to the Maximum Special Tax that was levied on the Market Rate Unit prior to the swap of units. If, based on the Building Height or Square Footage, there would be a reduction in the Maximum Special Tax due to the swap, the Maximum Special Tax that applied to the former Market Rate Unit will be transferred to the new Market Rate Unit regardless of the Building Height and Square Footage associated with the new Market Rate Unit.

5. *Changes in Land Use on a Taxable Parcel*

If any Square Footage that had been taxed as For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, or Retail Square Footage in a prior Fiscal Year is rezoned or otherwise changes Land Use, the Administrator shall apply the applicable subsection in Section C.2 to calculate what the Maximum Special Tax would be for the Parcel based on the new Land Use(s). If the amount determined is greater than the Maximum Special Tax that applied to the Parcel prior to the Land Use change, the Administrator shall increase the Maximum Special Tax to the amount calculated for the new Land Uses. If the amount determined is less than the Maximum Special Tax that applied prior to the Land Use change, there will be no change to the Maximum Special Tax for the Parcel. Under no circumstances shall the Maximum Special Tax on any Taxable Parcel be reduced, regardless of changes in Land Use or Square Footage on the Parcel, including reductions in Square Footage that may occur due to demolition, fire, water damage, or acts of God. In addition, if a Taxable Building within the CFD that had been subject to the levy of Special Taxes in any prior Fiscal Year becomes all or part of an Affordable Housing Project, the Parcel(s) shall continue to be subject to the Maximum Special Tax that had applied to the Parcel(s) before they became part of the Affordable Housing Project. All Maximum Special Taxes determined pursuant to Section C.2 shall be adjusted, as applicable, by Sections D.1 and D.2.

6. *Prepayments*

If a Parcel makes a prepayment pursuant to Section H below, the Administrator shall issue the owner of the Parcel a Certificate of Exemption for the Square Footage that was used to determine the prepayment amount, and no Special Tax shall be levied on the Parcel in future Fiscal Years unless there is Net New Square Footage added to a Building on the Parcel. Thereafter, a Special Tax calculated based solely on the Net New Square Footage on the Parcel shall be levied for up to thirty Fiscal Years, subject to the limitations set forth in Section F below. Notwithstanding the foregoing, any Special Tax that had been levied against, but not yet collected from, the Parcel is still due and payable, and no Certificate of Exemption shall be issued until such amounts are fully paid. If a prepayment is made in order to exempt Taxable Child Care Square Footage on a Parcel on which there are multiple Land Uses, the Maximum Special Tax for the Parcel shall be recalculated based on the exemption of this Child Care Square Footage which shall, after such prepayment, be designated as Exempt Child Care Square Footage and remain exempt in all Fiscal Years after the prepayment has been received.

E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied Proportionately on each Taxable Parcel up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied on Taxable Parcels is equal to the Special Tax Requirement.

F. COLLECTION OF SPECIAL TAX

The Special Taxes for CFD No. 2014-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected from the first Fiscal Year in which a Parcel is designated as a Taxable Parcel until the principal and interest on all Bonds have been paid, the City's costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. Notwithstanding the foregoing, the Special Tax shall not be levied on any Square Footage in the CFD for more than thirty Fiscal Years, except that a Special Tax that was lawfully levied in or before the final Fiscal Year and that remains delinquent may be collected in subsequent Fiscal Years. After a Building or a particular block of Square Footage within a Building (i.e., Initial Square Footage vs. Net New Square Footage) has paid the Special Tax for thirty Fiscal Years, the then-current record owner of the Parcel(s) on which that Square Footage is located shall be issued a Certificate of Exemption for such Square Footage. Notwithstanding the foregoing, the Special Tax shall cease to be levied, and a Release of Special Tax Lien shall be recorded against all Parcels in the CFD that are still subject to the Special Tax, after the Special Tax has been levied in the CFD for seventy-five Fiscal Years.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against Residential Uses shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Square Footage for which a prepayment has been received and a Certificate of Exemption issued, (ii) Below Market Rate Units except as otherwise provided in Sections D.3 and D.4, (iii) Affordable Housing Projects, including all Residential Units, Retail Square Footage, and Office Square Footage within buildings that are part of an Affordable Housing Project, except as otherwise provided in Section D.4, and (iv) Exempt Child Care Square Footage.

H. PREPAYMENT OF SPECIAL TAX

The Special Tax obligation applicable to Square Footage in a building may be fully prepaid as described herein, provided that a prepayment may be made only if (i) the Parcel is a Taxable Parcel, and (ii) there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. Any prepayment made by a Parcel owner must satisfy the Special Tax obligation associated with all Square Footage on the Parcel that is subject to the Special Tax at the time the prepayment is calculated. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for the Square Footage on such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount for a Taxable Parcel shall be calculated as follows:

- Step 1:* Determine the Square Footage of each Land Use on the Parcel.
- Step 2:* Determine how many Fiscal Years the Square Footage on the Parcel has paid the Special Tax, which may be a separate total for Initial Square Footage and Net New Square Footage on the Parcel. If a Special Tax has been levied, but not yet paid, in the Fiscal Year in which the prepayment is being calculated, such Fiscal Year will be counted as a year in which the Special Tax was paid, but a Certificate of Exemption shall not be issued until such Special Taxes are received by the City's Office of the Treasurer and Tax Collector.
- Step 3:* Subtract the number of Fiscal Years for which the Special Tax has been paid (as determined in Step 2) from 30 to determine the remaining number of Fiscal Years for which Special Taxes are due from the Square Footage for which the prepayment is being made. This calculation would result in a different remainder for Initial Square Footage and Net New Square Footage within a building.
- Step 4:* Separately for Initial Square Footage and Net New Square Footage, and separately for each Land Use on the Parcel, multiply the amount of Square Footage by the applicable Maximum Special Tax that would apply to such Square Footage in each of the remaining Fiscal Years, taking into account the 2% escalator set forth in Section D.2, to determine the annual stream of Maximum Special Taxes that could be collected in future Fiscal Years.
- Step 5:* For each Parcel for which a prepayment is being made, sum the annual amounts calculated for each Land Use in Step 4 to determine the annual Maximum Special Tax that could have been levied on the Parcel in each of the remaining Fiscal Years.

Step 6. Calculate the net present value of the future annual Maximum Special Taxes that were determined in Step 5 using, as the discount rate for the net present value calculation, the true interest cost (TIC) on the Bonds as identified by the Office of Public Finance. If there is more than one series of Bonds outstanding at the time of the prepayment calculation, the Administrator shall determine the weighted average TIC based on the Bonds from each series that remain outstanding. The amount determined pursuant to this Step 6 is the required prepayment for each Parcel. Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that could be collected from Square Footage that remains subject to the Special Tax after the proposed prepayment is less than 110% of debt service on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which 110% debt service coverage is realized.

Once a prepayment has been received by the City, a Certificate of Exemption shall be issued to the owner of the Parcel indicating that all Square Footage that was the subject of such prepayment shall be exempt from Special Taxes.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

J. SPECIAL TAX APPEALS

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Tax was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Tax was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

EXHIBIT D

CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2014-1 (Transbay Transit Center)

CFD Formation Study

Description of CFD Formation Study. The Implementation Document calls for a CFD formation study:

“To estimate the revenues that could be generated by a Mello-Roos Special Tax from the Plan area, the Funding Program assumes that each new development or net addition of square footage in the Plan Area that would exceed the 9:1 FAR threshold would pay a Special Tax equivalent to 0.55 percent of the assessed value of the entire development project, which would raise the overall tax rate to roughly 1.70 percent of assessed value of the affected property. In actuality, if a CFD were to be formed, the Special Tax would be established through an election that would authorize the imposition of the Special Tax. The Special Tax structure would likely not be directly related to property value. Rather, it will likely be assessed based on a variety of factors, as determined through a detailed CFD formation study, such as the amount of development on the property and other factors, and the Special Tax will be a per-square foot assessment. However regardless of the ultimate methodology and tax structure, the final Special Tax assessed to each property will be calculated to be equivalent to 0.55 percent of property value.”

Summary of Special Tax Rate Calculation. The Implementation Document alternately refers to a special tax that would be equivalent to 0.55 percent of “property value” and a special tax that would be equivalent to 0.55 percent of “assessed value.” In a manner that is consistent with California law, the Proposed RMA calculates special tax rates based on the net square footage of each type of use (office, residential, hotel, etc.) and density of use (the rate is higher for buildings with more floors). The rates are based on the values of typical space of each type and density within the Transbay Transit Center District, with the objective that the total tax for any particular property subject to the special tax will be the equivalent of 0.55 percent of the value of the property.¹

The following paragraphs summarize the method by which City staff developed the Proposed RMA:

Concord Group Study. The City commissioned the Concord Group to calculate the estimated value of hypothetical buildings in the Transit Center District Plan area in certain land-use categories in Spring 2013. The Concord Group report, dated April 10, 2013, that was used by City staff in preparation of the Proposed RMA is attached hereto as Appendix 1.

¹ Although the City used the Concord Group study to set the Base Special Taxes for fiscal year 2013-14, which is consistent with the Implementation Document, the CFD special tax has not been designed as an ad valorem tax; in other words, the CFD special tax will not be levied on any particular parcel based upon the value of that parcel.

The Concord Group study specifically identified a building height premium for residential and office uses.

Rate and Method of Apportionment of Special Tax. The City commissioned a special tax consultant to develop the rate and method of levying the special taxes on taxable property in the CFD. The special tax consultant drafted the Proposed RMA, in consultation with City staff and consultants and representatives of the Transbay Joint Powers Authority and the Office of Community Investment and Infrastructure. The Proposed RMA distinguishes among land uses (specifically, for-sale residential, for-rent residential, office, retail, hotel, parking and child care) and, with reference to the building height premium identified by the Concord Group, distinguishes among residential and office/hotel buildings based on height.

Base Special Taxes; Maximum Special Taxes. As explained more completely below, the Proposed RMA includes two special tax rates:

(A) A “Base Special Tax” for fiscal year 2013-14 that is based on 0.55 percent of the values determined by the Concord Group.

(B) A “Maximum Special Tax” that may be levied on a “Taxable Parcel” for a 30-year period. The Base Special Tax will be used to calculate the Maximum Special Tax for a Taxable Parcel for the first fiscal year in which it is subject to the special tax.

Adjustment Factors. Because the Implementation Document calls for “the final Special Tax assessed to each property [to] be calculated to be equivalent to 0.55 percent of property value,” City staff proposed two adjustment factors to the fiscal year 2013-14 Base Special Taxes. The first adjustment factor will be applied to the Base Special Taxes beginning in the City’s fiscal year 2014-15 and, separately for each Taxable Parcel, continuing through the fiscal year in which special taxes are first levied on the Taxable Parcel.

The second adjustment factor would adjust the Maximum Special Tax for a Taxable Parcel for the 2nd through 30th years that the parcel is subject to the special tax.

Initial Adjustment Factor. The Implementation Document contemplates that special taxes would apply to a parcel for 30 years beginning at issuance of the first temporary certificate of occupancy. The Proposed RMA, in order to ensure a special tax revenue flow that will efficiently support the issuance of bonds (which are typically issued with a 30-year final maturity), calls for the City to begin levying the special tax on a parcel when the first temporary certificate of occupancy has been issued for the related building and the Director of Public Finance (upon the recommendations of the Interagency Plan Implementation Committee and Capital Planning Committee) has ordered the special taxes to be levied (this order is referred to in the Proposed RMA as a “Tax Commencement Authorization”).

City staff initially considered a pre-certificate of occupancy adjustment factor that would have annually increased the Base Special Taxes beginning with fiscal year 2014-15 by reference to an annual appraisal of market value in the Transit Center area. However, as a result of initial feedback from developers that the proposed adjustment factor would make it difficult for them to estimate the special tax burden on a property prior to issuance of a certificate of occupancy, City staff incorporated an alternative initial adjustment factor in the Proposed RMA, which the City believes is responsive to the developers’ initial concerns: the Annual Infrastructure Construction Cost Inflation

Estimate published by the Office of the City Administrator's Capital Planning Group, as it may be amended from time to time. However, to avoid large annual fluctuations in the Base Special Taxes as a result of the initial adjustment factor, the Proposed RMA provides that the Base Special Taxes may not be increased or decreased in a fiscal year by more than four percent of the amount in effect in the prior fiscal year.

Escalation After Certificate of Occupancy. The Proposed RMA calls for a "Maximum Special Tax" to be established for each property when a Certificate of Occupancy and a Tax Commencement Authorization have been issued for the Building. The annual adjustment factor is 2 percent of the amount in effect in the prior year and will be applied during the 2nd through 30th years in which special taxes will be levied on a parcel. The annual adjustment factor reflects City staff's attempt to balance, on the one hand, references to 0.55 percent of property value in the Implementation Document and, on the other hand, the goal of establishing a special tax that can be efficiently leveraged for the issuance of bonds.

Article XIII A, Section 2 of the California Constitution provides for an escalation of assessed values in each year based on a variety of factors, including inflation. The inflation adjustment in any year cannot exceed 2 percent, but may be lower based on the consumer price index. In 31 of the 39 years beginning with fiscal year 1976-77 and continuing through fiscal year 2014-15, the inflation escalator has been equal to 2 percent.

Although it would have been possible to tie this second adjustment factor to the annual Proposition 13 inflation adjustment, City staff decided to establish a fixed 2 percent adjustment factor because, if the adjustment factor were a variable amount, the special taxes that would be generated by the adjustment factor could not be leveraged for the issuance of bonds because bond investors would not tolerate the possibility that special tax revenues could be less than bond debt service. For the same reason, the Proposed RMA does not permit downward adjustment of Maximum Special Taxes in those circumstances in which the assessed value of a property could be temporarily adjusted under California Revenue and Taxation Code Section 51(b). However, the Proposed RMA also does not propose to escalate the Maximum Special Tax that could be paid by a property based on new construction and changes of ownership, which, based on relevant San Francisco history, are factors that are likely to increase a Taxable Parcel's assessed value during the 30 years in which special taxes are levied on the Taxable Parcel.

Appendix 1
Concord Group Report



THE CONCORD GROUP

251 KEARNY STREET, 6TH FLOOR
SAN FRANCISCO, CALIFORNIA 94108
PHONE 415.397.5490 FAX 415.397.5496

DEVELOPMENT VALUATION UPDATE FOR
VARIOUS REAL ESTATE PRODUCT TYPES
RELATIVE TO THE ASSESSMENT OF A CFD ON
THE TRANSBAY PLANNING DISTRICT IN SAN
FRANCISCO, CALIFORNIA

DEVELOPMENT VALUE UPDATE
APRIL 10, 2013

PREPARED FOR:
NANCY WHELAN
CONSULTING ON BEHALF
OF THE TRANSBAY JOINT
POWERS AUTHORITY



LIST OF EXHIBITS

- I. SUMMARY OF FINDINGS**
 - 1. Summary of Product Type Values by Building Type
- II. FOR SALE RESIDENTIAL**
 - 1. Market Area Definition
 - 2. Macro Market Trends
 - 3. Comparable Inventory
 - 4. Inventory Map
 - 5. Resale Inventory
 - 6. Premium Structures
 - 7. Positioning
 - 8. For Sale Value Projection by Building Type
- III. FOR RENT RESIDENTIAL**
 - 1. Market Area Definition
 - 2. Macro Market Trends
 - 3. Comparable Inventory
 - 4. Inventory Map
 - 5. Building Trades
 - 6. Premium Structures
 - 7. Positioning
 - 8. For Rent Value Projection by Building Type

IV. OFFICE

1. Market Area Definition
2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Building Trades
6. Premium Structures
7. Positioning
8. Office Value Projection by Building Type

V. RETAIL

1. Market Area Definition
2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Positioning
6. Retail Value Projection

VI. HOTEL

1. Market Area Definition
2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Building Trades

6. Positioning
7. Hotel Value Projection

I. SUMMARY

EXHIBIT I-1

VALUATION SUMMARY BY PRODUCT TYPE
TRANSBAY
MARCH 2013

Average Per Square Foot Development Value by Building Height

Number of Floors	For Sale Residential			For Rent Residential			Office		Ground Floor	Hotel	
	Podium	Mid-Rise	High-Rise	Podium	Mid-Rise	High-Rise	Low-Rise	High-Rise	Retail	Business	Luxury
1	\$853	\$849	\$884	\$796	\$823	\$831	\$614	\$675	\$579	\$528	\$1,218
2	\$853	\$849	\$906	\$796	\$824	\$831	\$617	\$679			
3	\$853	\$849	\$927	\$796	\$825	\$831	\$621	\$683			
4	\$853	\$849	\$947	\$797	\$826	\$831	\$625	\$687			
5	\$856	\$852	\$966	\$805	\$828	\$831	\$628	\$691			
6	\$864	\$859	\$985	\$824	\$829	\$831	\$632	\$695			
7	\$874	\$869	\$1,002	\$824	\$831	\$832	\$636	\$699			
8	\$887	\$882	\$1,019	\$824	\$832	\$833	\$639	\$703			
9		\$896	\$1,035		\$834	\$834	\$643	\$707			
10		\$912	\$1,050		\$836	\$835	\$647	\$711			
11		\$928	\$1,064		\$837	\$836		\$716			
12		\$944	\$1,078		\$839	\$837		\$720			
13		\$960	\$1,091		\$841	\$839		\$724			
14		\$975	\$1,103		\$843	\$840		\$728			
15		\$988	\$1,115		\$845	\$842		\$732			
16			\$1,126			\$843		\$736			
17			\$1,136			\$845		\$740			
18			\$1,146			\$847		\$744			
19			\$1,155			\$848		\$748			
20			\$1,164			\$850		\$752			
21			\$1,172			\$852		\$756			
22			\$1,180			\$854		\$760			
23			\$1,187			\$856		\$764			
24			\$1,194			\$858		\$768			
25			\$1,201			\$860		\$772			
26			\$1,207			\$862		\$776			
27			\$1,213			\$863		\$780			
28			\$1,219			\$865		\$784			
29			\$1,224			\$867		\$788			
30			\$1,229			\$869		\$792			
31			\$1,234			\$871		\$797			
32			\$1,238			\$873		\$801			
33			\$1,243			\$875		\$805			
34			\$1,247			\$876		\$809			
35			\$1,251			\$878		\$813			
36			\$1,256			\$880		\$817			
37			\$1,260			\$881		\$821			
38			\$1,264			\$883		\$825			
39			\$1,268			\$884		\$829			
40			\$1,272			\$886		\$833			
41			\$1,276			\$887		\$837			
42			\$1,280			\$889		\$841			
43			\$1,284			\$891		\$845			
44			\$1,288			\$892		\$849			
45			\$1,293			\$894		\$853			
46			\$1,298			\$897		\$857			
47			\$1,303			\$899		\$861			
48			\$1,308			\$901		\$865			
49			\$1,313			\$903		\$869			
50			\$1,319			\$905		\$873			

II. FOR-SALE

EXHIBIT II-1

FOR-SALE MARKET AREA DEFINITION
 9-COUNTY BAY AREA, CALIFORNIA
 MARCH 2013

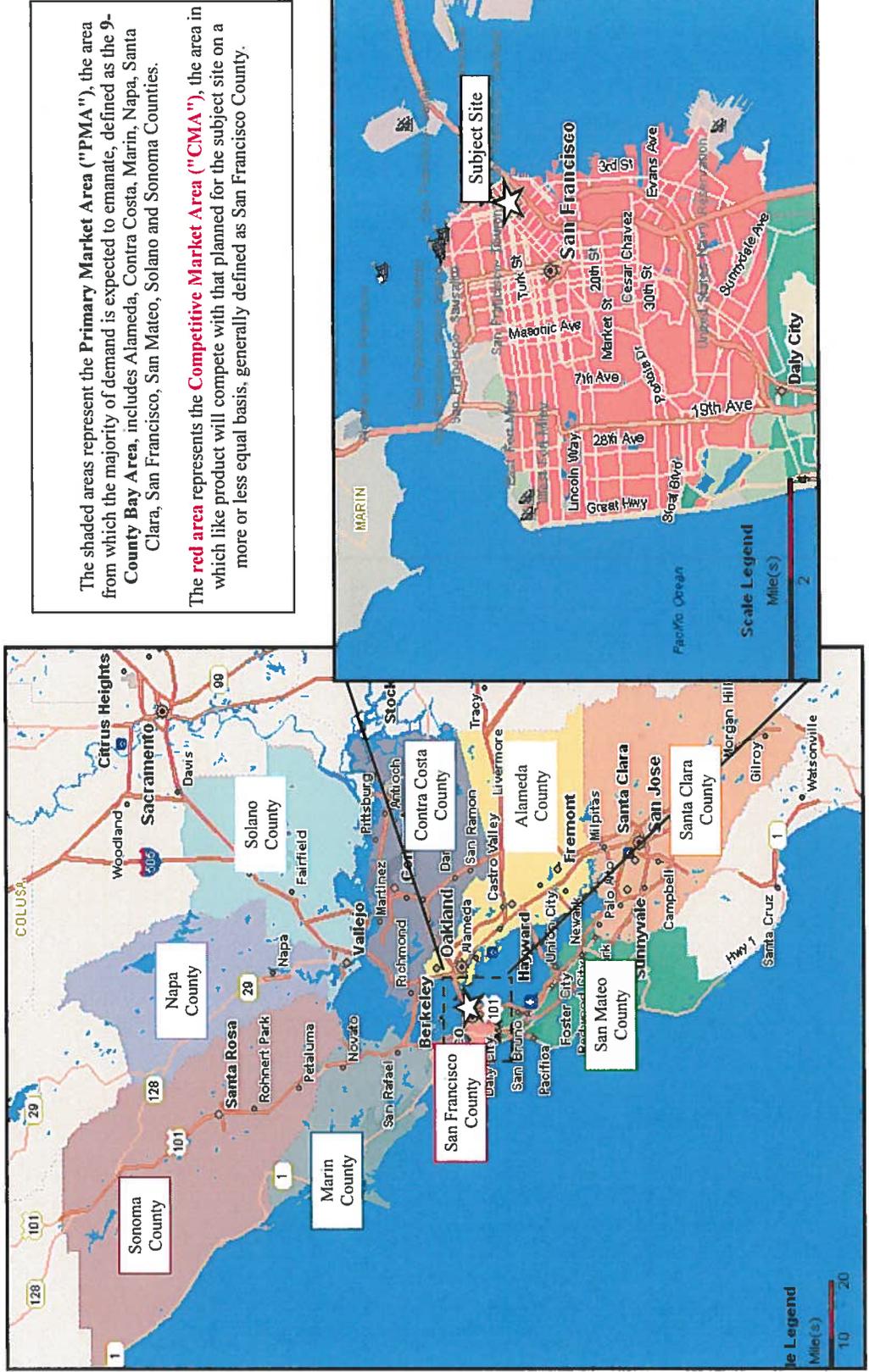
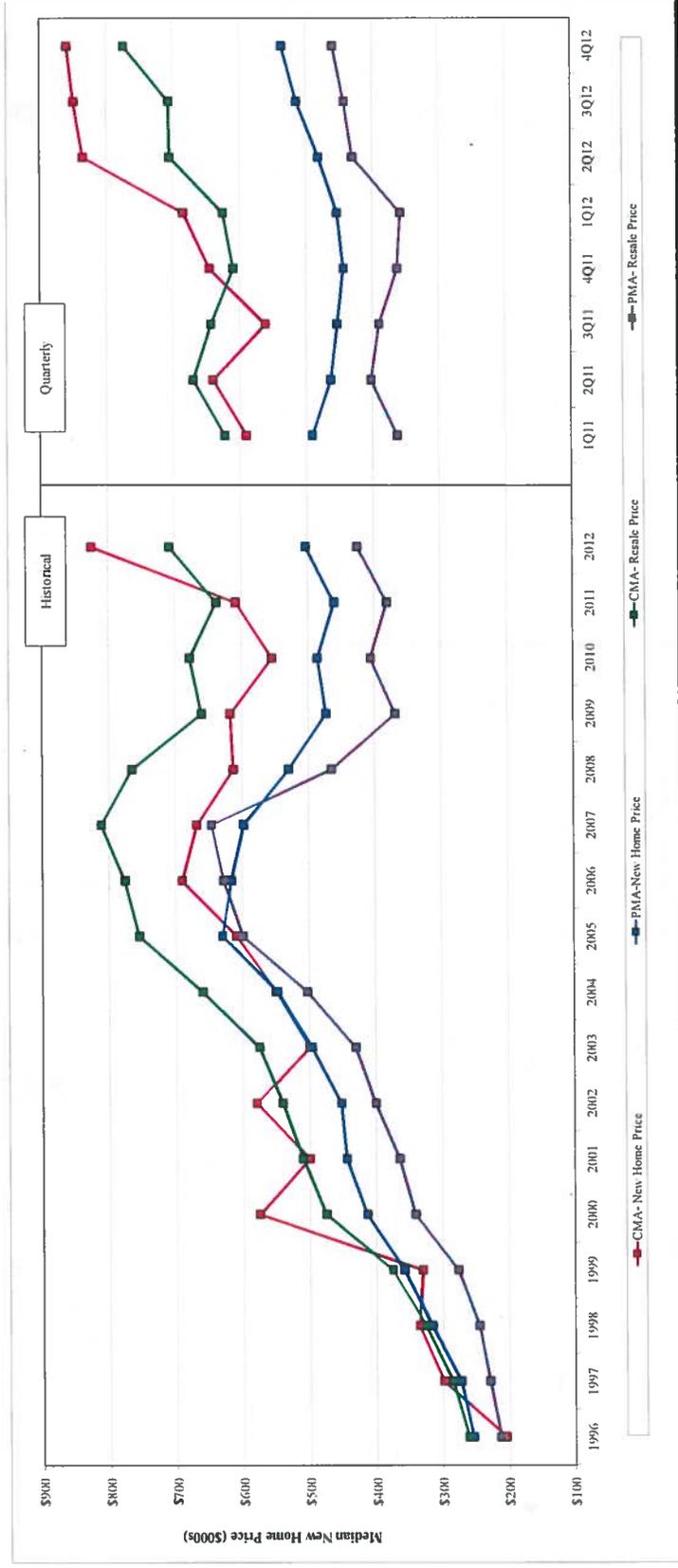


EXHIBIT II-2
HISTORICAL CLOSINGS AND MEDIAN PRICE
COMPETITIVE AND PRIMARY MARKET AREAS
1996 THROUGH 4Q2012

Period:	Annual												Quarterly														
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average									
																		10-Yr	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	
Median New Home Price (\$000s)	205	299	315	330	375	475	510	540	579	499	550	609	691	668	613	554	608	825	599	590	640	561	645	685	813	849	859
% Change	-26%	46%	12%	-1%	74%	-11%	16%	-14%	10%	11%	13%	-3%	-8%	1%	-10%	10%	10%	36%	5%	Same	Same	Same	16%	31%	51%	33%	
PMA	254	273	316	357	414	444	482	496	548	629	617	598	530	473	486	460	503	529	529	491	463	453	441	453	481	514	517
% Change	-9%	7%	16%	13%	16%	7%	2%	10%	10%	15%	-2%	-3%	-11%	3%	-5%	9%	9%	5%	5%	Same	Same	Same	-8%	4%	13%	21%	
CMA % of PMA	-19%	10%	6%	-8%	39%	13%	28%	1%	0%	-3%	12%	12%	16%	31%	14%	32%	64%	14%	14%	20%	38%	24%	45%	51%	74%	69%	60%
Median Resale Price (\$000s)	261	285	325	375	475	510	540	575	660	755	776	811	765	660	678	638	708	686	686	623	670	643	609	625	705	706	774
% Change	9%	14%	19%	27%	21%	7%	6%	15%	14%	14%	3%	5%	-6%	-14%	3%	-6%	11%	11%	0%	Same	Same	Same	0%	5%	10%	27%	
PMA	213	229	245	277	341	364	400	430	503	599	628	646	465	369	406	381	425	483	483	363	402	390	362	157	430	442	459
% Change	7%	7%	13%	23%	21%	7%	10%	17%	17%	19%	5%	3%	-28%	-21%	11%	-6%	12%	12%	12%	Same	Same	Same	-1%	7%	13%	27%	



Note: Includes detached and attached product types
 Source: DataQuick

EXHIBIT II-3

COMPARABLE FOR-SALE INVENTORY
SAN FRANCISCO, CALIFORNIA
MARCH 2013

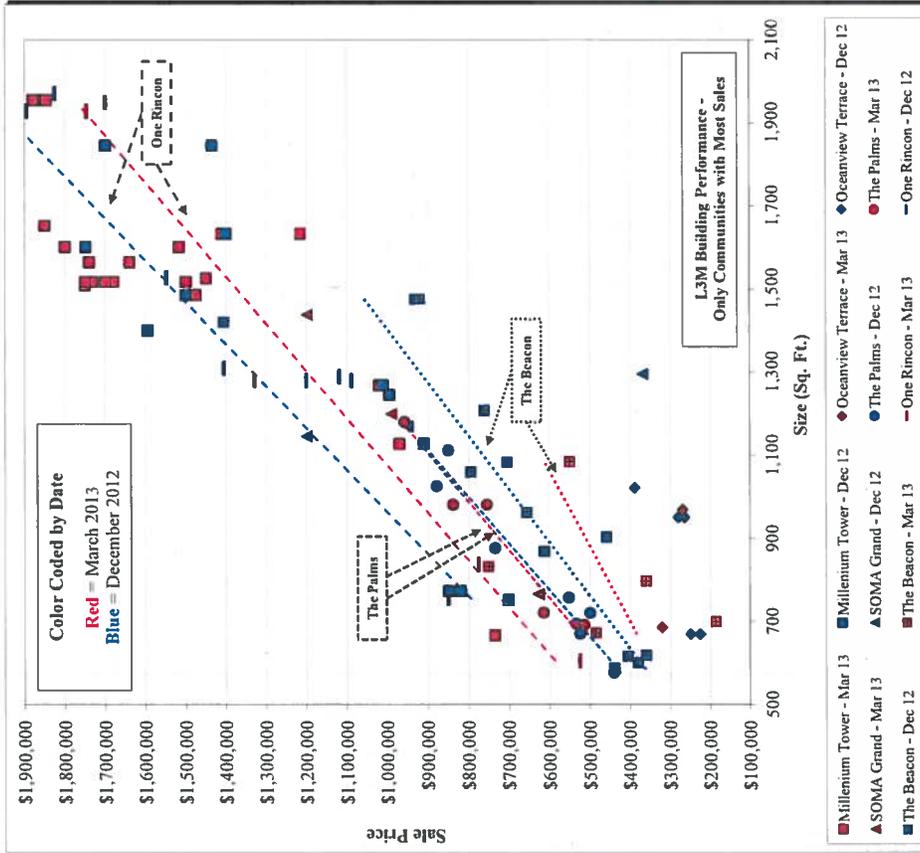
Project Name	Developer	Sales Open Date	Product Type	Units		Home Size	Base Price		Net Price		Concession	Avg. Monthly Abs.	
				Rem.	Total		Price	PSF	Price	PSF		L3M	Lifetime
San Francisco													
Actively-Selling Communities													
750 2nd Street	Morgan Creek Ventures	11/1/2012	Condo	8	14	1,850	\$1,750,000	\$946	\$1,750,000	\$946	None	1.0	1.5
The Heights	Ray Steffen / Charles Castro	1/8/2013	Condo	5	13	1,875	1,695,800	905	1,695,800	905	None	2.7	4.4
One Hawthorne	Jackson Pacific Ventures	4/1/2010	Condo	2	165	1,012	668,550	660	668,550	660	None	3.3	4.6
Candlestick Cove	Signature Properties	10/20/2007	TH	10	150	1,621	686,667	424	686,667	424	None	4.7	2.2
Total:				25	342	1,696	\$1,227,311	\$724	\$1,227,311	\$724	\$0	11.7	12.7
Weighted Average (1):				6	86	1,696	\$1,227,311	\$724	\$1,227,311	\$724	\$0	3.0	2.6
Recently-Sold-Out Communities													
411 Valencia	411 Valencia Street, LLC	10/1/2012	Condo	-	14	650	\$600,000	\$923	\$600,000	\$923	None	4.7	6.7
2020 Ellis (Phase 1)	John McImeny	8/12/2012	Condo	-	12	650	549,000	845	549,000	845	None	1.7	1.8
The Madrone	Bosa Development	6/1/2011	Condo	-	329	1,076	837,972	779	837,972	779	None	11.7	16.6
The Armani	George McNabb et al	1/1/2012	Condo	-	53	824	627,910	762	627,910	762	None	4.0	3.8
299 Valencia	J S Sullivan	3/1/2012	Condo	-	36	785	594,800	757	594,800	757	None	-	10.3
Millwheel South	Raymond Lyons	4/1/2012	Condo	-	32	1,200	704,469	587	704,469	587	None	-	10.2
Esprit Park- North Court	Macquarie Holdings	11/1/2011	Condo	-	67	1,143	677,440	593	656,091	574	\$21,350	-	7.9
3800 3rd Street	Holiday Development	9/1/2010	Condo	17 (3)	137	1,041	449,999	432	449,999	432	None	5.0	4.2
Total:				17	680	1,030	\$698,462	\$678	\$696,358	\$676	\$2,669	27.0	61.6
Weighted Average (1):				2	85	1,030	\$698,462	\$678	\$696,358	\$676	\$2,669	7.1	11.2

(1) Home size, price and lot size averages are weighted by units remaining per project (actively-selling) or total units (recently sold-out); others straight averages.
(3) 5800 3rd St currently sold out, 17 additional planned units unbuilt

EXHIBIT II-5

RESALES BY BUILDING - BUILT SINCE 2000
SAN FRANCISCO, CALIFORNIA
DECEMBER 2012 VS. MARCH 2013

Project Name	Total Units	December 2012		March 2013		\$ Chg.	PSF
		Average Sale \$	PSF	Average Sale \$	PSF		
50+ Unit Condo Buildings Built Post-2000							
199 New Montgomery	168	619,204	803	\$359,000	486	-39%	
235 Berry ST	99	919,000	830	\$1,213,750	808	-3%	
Infinity Tower	650	1,101,375	923	\$1,451,000	1,110	20%	
Millennium Tower	425	1,936,105	1,173	\$1,992,607	1,200	2%	
Oceanview Terrace	790	281,800	331	\$295,044	357	8%	
One Hawthorne	165	816,250	822	\$1,145,000	997	21%	
One Rincon	374	1,395,500	974	\$1,100,583	834	-14%	
SOMA Grand	246	838,949	697	\$938,833	827	19%	
St. Regis Residences	100	2,540,000	1,425	\$2,526,667	1,451	2%	
The Beacon	595	678,615	685	\$466,400	571	-17%	
The Brannan	390	1,422,500	1,057	\$1,136,667	923	-13%	
The BridgeView	248	691,000	723	\$840,000	759	5%	
The Hayes	128	660,000	949	\$676,000	781	-18%	
The Lansing	82	776,667	699	\$720,000	770	10%	
The Metropolitan	342	664,333	831	\$799,400	748	-10%	
The Palms	300	639,757	781	\$702,583	803	3%	
The Towers	233	960,667	818	\$1,028,333	915	12%	
The Watermark	138	1,282,500	988	\$1,186,250	967	-2%	
Total:	5,473						
Straight Average:	304	\$1,012,457	\$903	\$1,032,118	\$901	-1%	

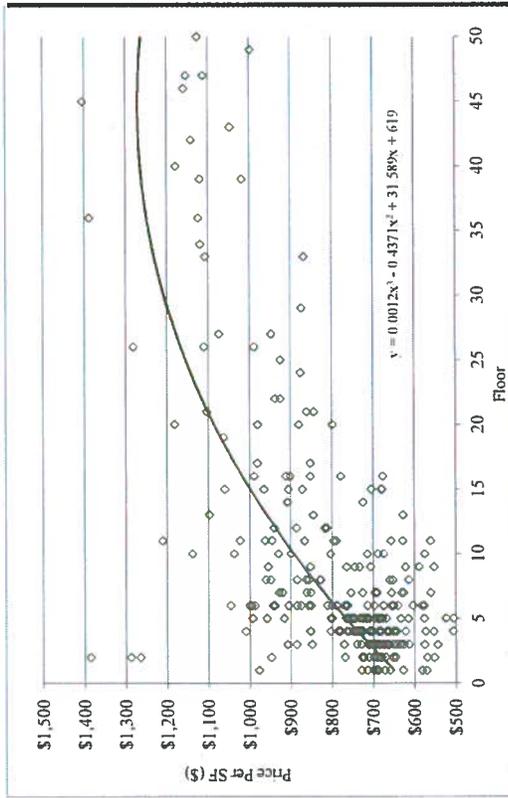


Source: RedFin

EXHIBIT II-6

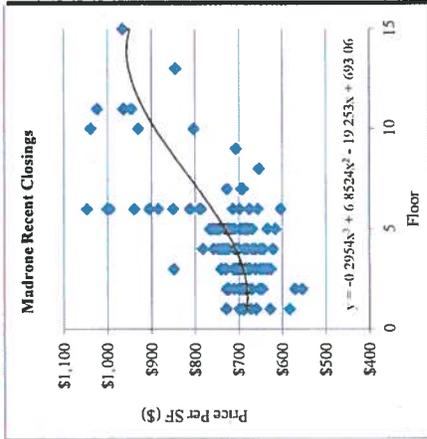
FLOOR HEIGHT PREMIUM ANALYSIS
SOUTH OF MARKET; SAN FRANCISCO, CA
MARCH 2013

Recent Same-Building Closings by Floor - SoMa



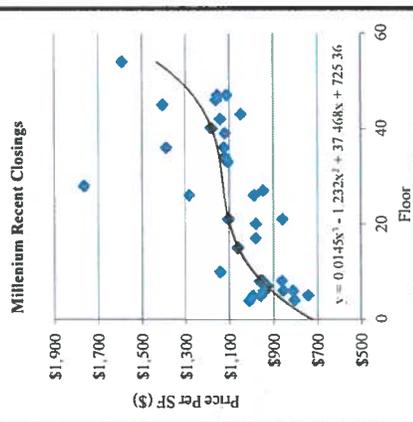
The Madrone Recent Closed Transactions By Floor

Floor	PSF	% Above Base Floor
Floor 1	\$676	
Floor 2	\$683	4%
Floor 3	\$693	6%
Floor 4	\$705	8%
Floor 5	\$710	8%
Floor 6	\$815	25%
Floor 7	\$705	8%
Floor 8	\$654	0%
Floor 9	\$707	8%
Floor 10	\$925	41%
Floor 11	\$978	49%
Floor 12	--	--
Floor 13	\$846	29%
Floor 14	--	--
Floor 15	\$966	48%
Wtd. Average:	\$774	10.7%
Avg Floor Prem:		3.3%



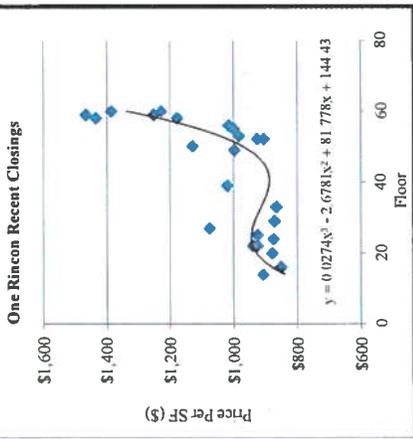
The Millennium Recent Closed Transactions By Floor

Category	Average PSF	% Above Base Floor
Below Floor 10	\$945	
Floor 11-20	\$1,007	7%
Floor 21-30	\$1,208	28%
Floor 31-40	\$1,157	22%
Floor 41-50	\$1,178	25%
Above 50	\$1,971	109%
Wtd. Average:	\$1,244	27.4%
Avg Floor Prem:		2.0%



One Rincon Recent Closed Transactions By Floor

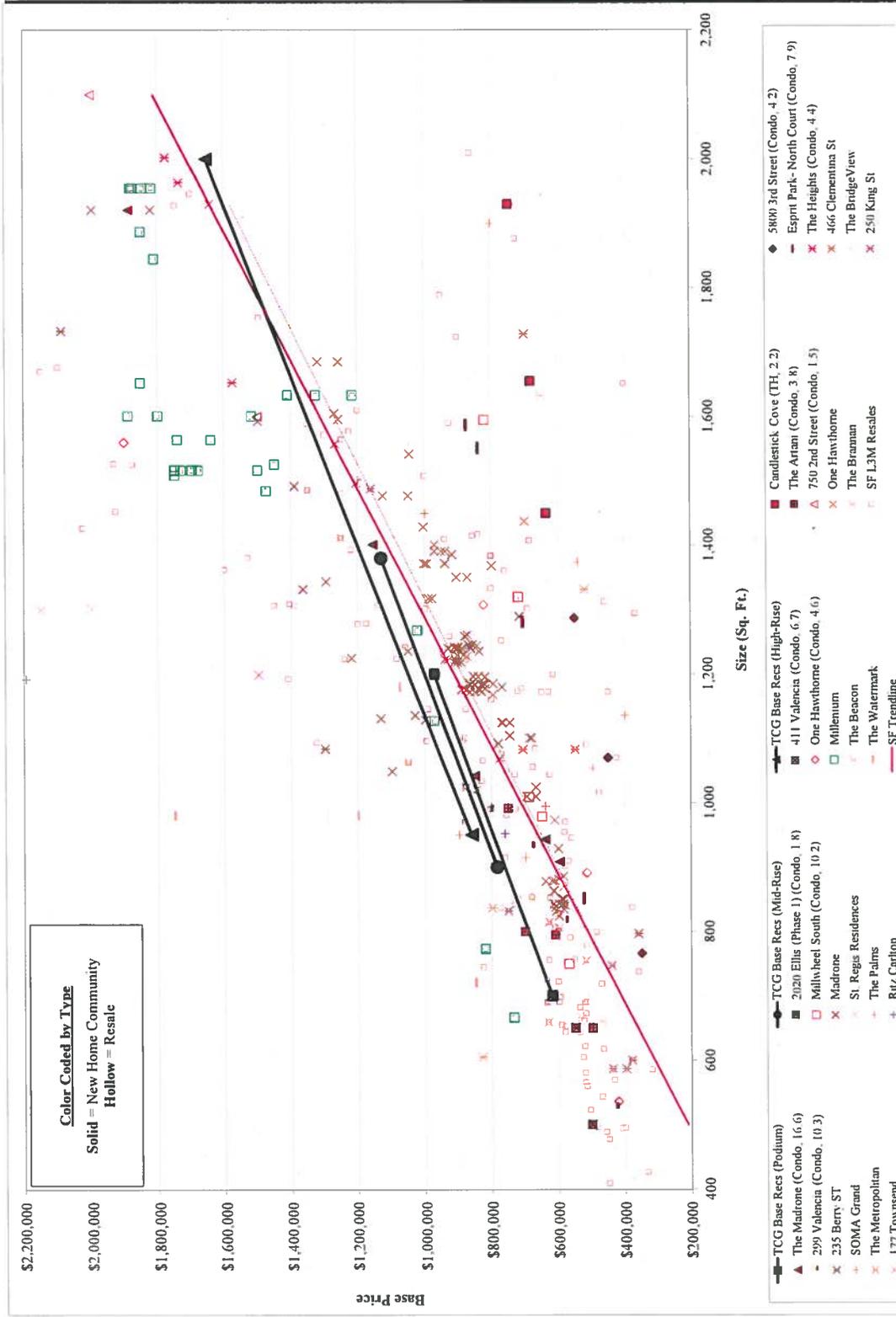
Category	PSF	% Above Base Floor
Below Floor 20	\$881	--
Floor 21-30	\$936	6%
Floor 31-40	\$944	7%
Floor 41-50	\$1,062	21%
Floor 51-60	\$1,101	25%
Above 60	\$1,308	49%
Wtd. Average:	\$1,038	11.2%
Avg Floor Prem:		0.8%



Note: Recent transactions include closings since September 2012

EXHIBIT II-7

FOR SALE PRODUCT PROGRAM POSITIONING
 TRANSBAY REDEVELOPMENT SITE: SAN FRANCISCO, CA
 MARCH 2013



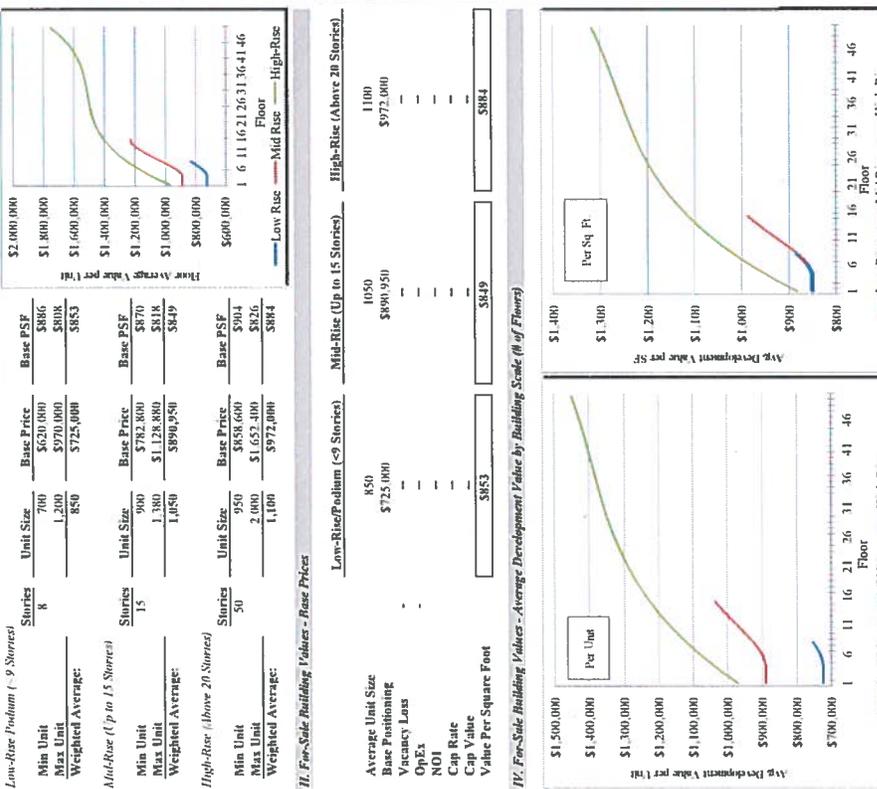
Note: The number in parentheses represent product type and absorption, respectively.

EXHIBIT H-4
VALUE PROJECTION - FOR SALE
TRANSBAY
FEBRUARY 2013

III. Hypothetical Building Metrics - For Sale Unit Values

Floor	Low Rise		Mid Rise		High-Rise	
	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF
1	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
2	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
3	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
4	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
5	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
6	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
7	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
8	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
9	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
10	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
11	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
12	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
13	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
14	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
15	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
16	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
17	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
18	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
19	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
20	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
21	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
22	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
23	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
24	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
25	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
26	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
27	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
28	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
29	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
30	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
31	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
32	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
33	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
34	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
35	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
36	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
37	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
38	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
39	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
40	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
41	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
42	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
43	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
44	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
45	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
46	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
47	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
48	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
49	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
50	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
Avg:	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884

IV. For-Sale Building Values - Average Development Value by Building Scale (# of Floors)



III. FOR-RENT

EXHIBIT III-1
 APARTMENT MARKET AREA DEFINITION
 SAN FRANCISCO AND SAN MATEO COUNTIES
 MARCH 2013

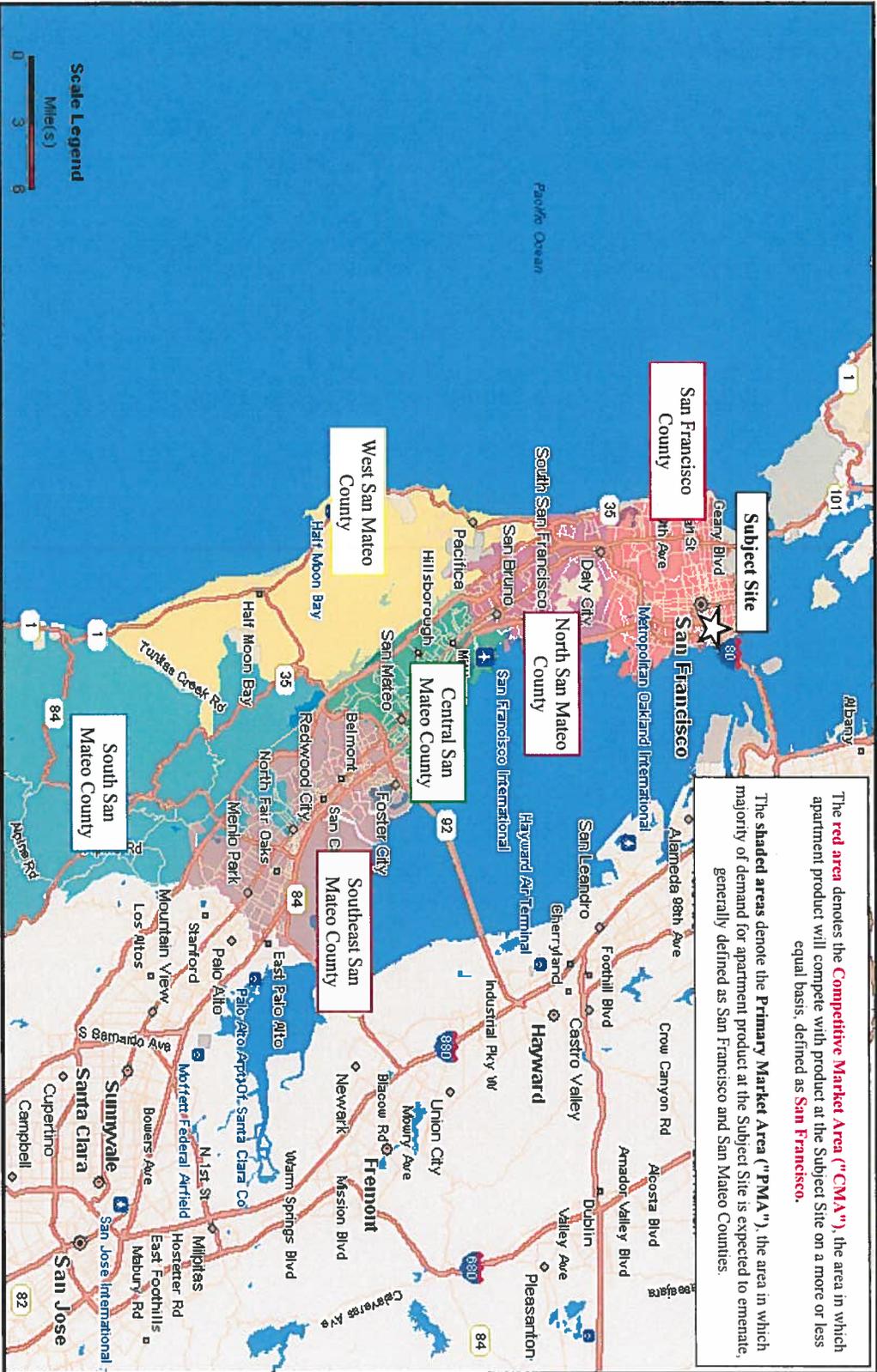
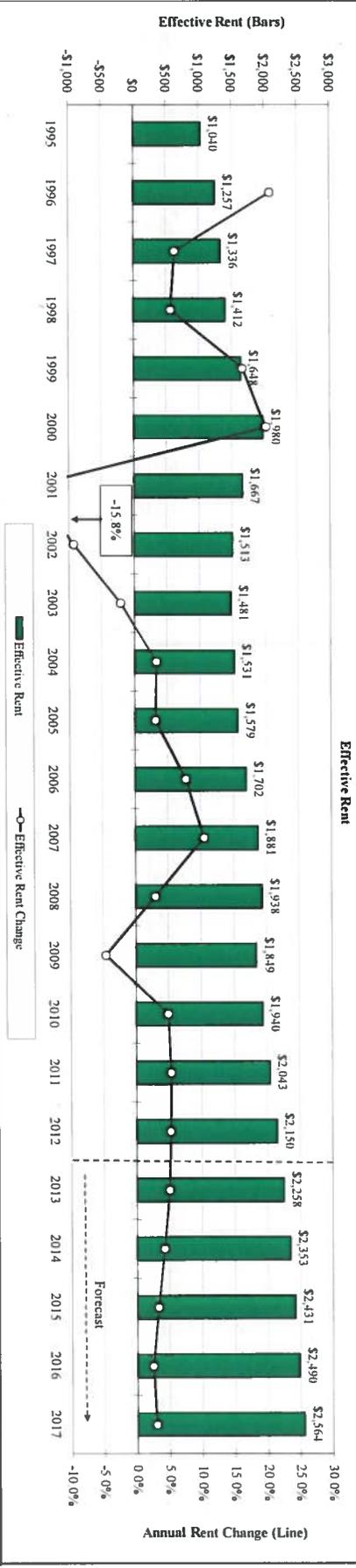
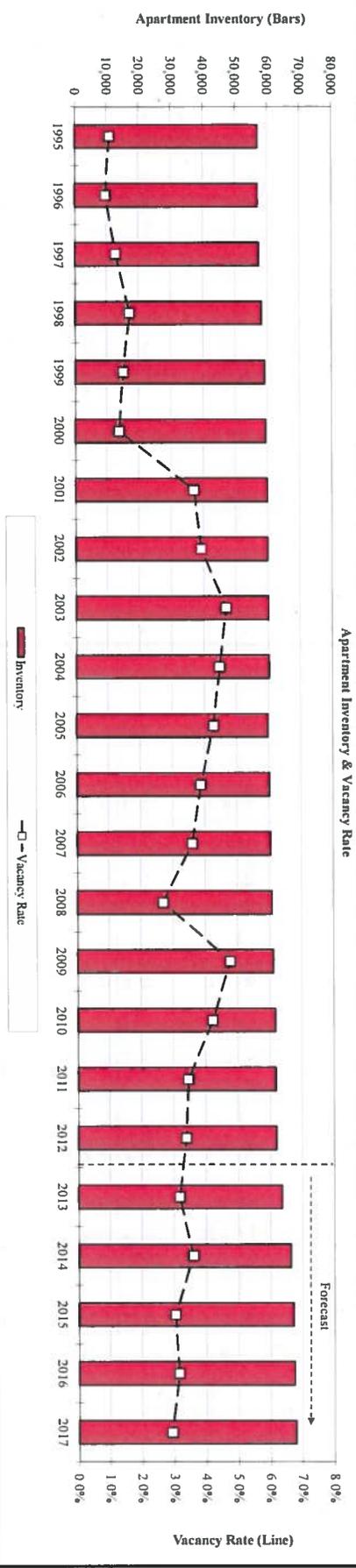


EXHIBIT III-2
 APARTMENT MARKET PERFORMANCE
 COMPETITIVE MARKET AREA (1)
 1995 THROUGH 2017

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
CMJ/Urban San Francisco (1)																								
Inventory	57,197	57,197	57,512	58,319	59,298	59,576	60,062	60,062	60,267	60,436	59,822	60,355	60,573	60,854	61,306	61,856	61,932	62,112	60,951	63,806	66,482	67,285	67,643	68,046
Completions (1)	198	0	315	807	979	278	486	0	229	595	44	533	218	452	550	76	180	0	316	1,694	2,676	803	358	403
Conversions	0	0	0	0	0	0	0	0	-24	-49	-658	0	0	0	0	0	0	0	-73	0	0	0	0	0
Net Gain (Loss)	198	0	315	807	979	278	486	0	205	546	-614	533	218	281	452	550	76	180	243	1,694	2,676	803	358	403
Vacancy Rate	1.1%	1.0%	1.3%	1.7%	1.5%	1.4%	3.7%	3.9%	4.7%	4.5%	4.3%	3.9%	3.6%	2.7%	4.8%	4.2%	3.5%	3.4%	4.0%	3.2%	3.6%	3.0%	3.2%	2.9%
Effective Rent	\$1,040	\$1,257	\$1,336	\$1,412	\$1,648	\$1,980	\$1,667	\$1,513	\$1,481	\$1,531	\$1,579	\$1,702	\$1,881	\$1,938	\$1,849	\$1,940	\$2,043	\$2,150	\$1,809	\$2,258	\$2,353	\$2,431	\$2,490	\$2,564
% Change		20.8%	6.3%	5.7%	16.7%	20.2%	-15.8%	-9.2%	-2.1%	3.4%	3.2%	7.8%	10.5%	3.0%	-4.6%	4.9%	5.3%	5.2%	3.7%	5.0%	4.2%	3.3%	2.4%	3.0%



(1) Apartment market area based on REIS Core Center, Downtown, Inland Ashbury/Western Addition, Russian Hill/Humboldtwood, Marina/San Francisco, Mountain Pacific, Heights and South of Market Submarkets
 (2) Employment data represents Total Non-Farm Employment
 Sources: US Bureau of Labor Statistics for Employment data; REIS for apartment rents and vacancy forecasts
 (3) REIS completion data represents a mixture of new apartment construction and apartment conversions
 (4) REIS forecasts serve as independent benchmark, does not represent TCG conclusions

EXHIBIT III-3
CURRENT APARTMENT INVENTORY
COMPETITIVE MARKET AREA
MARCH 2013

Project	Project type (# of floors)	Year Built	Total Units	Unit Size	Occ. Rate	December 2012			March 2013			L3M % Δ	Concessions	
						\$	Base Min	\$/SF	\$	Base Min	\$/SF			
Competitive Market Area														
Sofia Neighborhood														
Carmel Rincon	Highrise (23)	1989	320	605	90%	\$3,195	\$5.28	90%	\$3,331	\$5.50	4.2%	None		
Arc Light	Mid-rise (6)	2012	94	701	96%	3,406	4.86	96%	3,413	4.87	0.2%	None		
SOMA Residences	Midrise (4)	2000	278	476	98%	2,272	4.78	98%	2,279	4.79	0.3%	None		
The Paramount	Highrise (43)	2001	496	734	99%	3,503	4.78	99%	3,502	4.77	0.0%	None		
Archstone South Market	Midrise (9)	1989	410	788	93%	3,008	3.82	97%	3,401	4.32	13.1%	None		
Rincon Green	Midrise (7)	2012	326	643	Lease-up	2,821	4.39	80% (1)	2,580	4.01	-8.6%	None		
Bayside Village	Lowrise (4)	1988	862	704	99%	2,719	3.86	98%	2,708	3.85	-0.4%	None		
388 Beale Street	Highrise (20)	1999	227	1,078	96%	3,670	3.41	96%	4,015	3.73	9.4%	None		
Soma at 738	Midrise (6)	2000	160	801	96%	3,088	3.85	96%	2,820	3.52	-8.7%	None		
Total/Wtd. Avg. (1):	9 Projects	1996	3,173	715	97%	\$3,005	\$4.20	95%	\$3,054	\$4.27	1.4%			
Mid-Market Neighborhood														
Argentina	Highrise (20)	2008	179	749	99%	\$3,313	\$4.42	96%	\$3,400	\$4.54	2.6%	None		
Trinity Place	Highrise (24)	2010	440	513	96%	2,320	4.52	93%	2,242	4.37	-3.4%	None		
Fox Plaza	Highrise (29)	1965/Ongoing	443	690	97%	2,880	4.17	93%	2,889	4.19	0.3%	None		
Total/Wtd. Avg. (1):	3 Projects	1991	1,062	627	97%	\$2,721	\$4.34	94%	\$2,707	\$4.32	-0.8%			
Non Rent Controlled Properties (1):														
Total/Wtd. Avg. (1):	1 Projects	2008	179	749	99%	\$3,313	\$4.42	96%	\$3,400	\$4.54	2.6%			
Dogpatch Neighborhood														
Portero Launch	Midrise (6)	2012	196	668	Lease-up	\$3,422	\$5.12	72% (1)	\$3,365	\$5.03	-1.7%	2BR's 12 month lease \$2400 credit		
550 18th Street	Midrise (5)	2009	35	1,333	100%	3,986	2.99	91%	4,065	3.05	2.0%	None		
Total/Wtd. Avg. (1):	2 Projects	2012	231	769	100%	\$3,508	\$4.56	91%	\$3,471	\$4.51	-1.1%			
Mission Bay Neighborhood														
Avalon Mission Bay III	Highrise (18)	2009	260	812	96%	\$3,368	\$4.15	96%	\$3,375	\$4.16	0.2%	None		
Edgewater	Midrise (5)	2007	193	803	90%	3,333	4.15	97%	3,397	4.23	1.9%	None		
Avalon at Mission Bay North	Highrise (18)	2004	565	1,007	94%	3,749	3.72	94%	3,844	3.82	2.5%	None		
Strata at Mission Bay	Highrise (8)	2009	192	883	95%	3,240	3.67	94%	3,211	3.64	-0.9%	\$750 off exterior-facing apts		
Total/Wtd. Avg. (1):	4 Projects	2006	1,210	913	94%	\$3,520	\$3.86	95%	\$3,571	\$3.91	1.4%			
Other SF Neighborhoods														
Avalon at Nob Hill	Midrise (9)	1990	185	590	98%	\$2,832	\$4.80	99%	\$2,814	\$4.77	-0.6%	None		
The Fillmore Center	High Rise (19)	1989/Ongoing	1,114	770	95%	2,642	3.43	98%	2,911	3.78	10.2%	None		
Total/Wtd. Avg. (1):	2 Projects	1989	1,299	744	95%	\$2,669	\$3.59	98%	\$2,897	\$3.89	8.5%			
Grand Total/Wtd. Avg. (1):	20 Projects	1996	6,975	743	96%	\$3,005	\$4.04	96%	\$3,075	\$4.14	2.3%			

(1) All averages weighted by number of units. Grand total includes all comparable communities, including rent controlled product.
(2) Majority of units at Trinity Place are rent controlled (out of 440 total, 360 are rent controlled, 12 BMR, remaining 68 market-rate)
(3) Rent controlled properties removed to portray market area PSF rents more accurately
(4) Indicates a rent controlled property
(5) Rincon Green and Portero Launch are still in lease-up and are not included in any occupancy averages

EXHIBIT III-4
 LOCATION OF KEY COMPARABLE COMMUNITIES
 COMPETITIVE MARKET AREA
 MARCH 2013

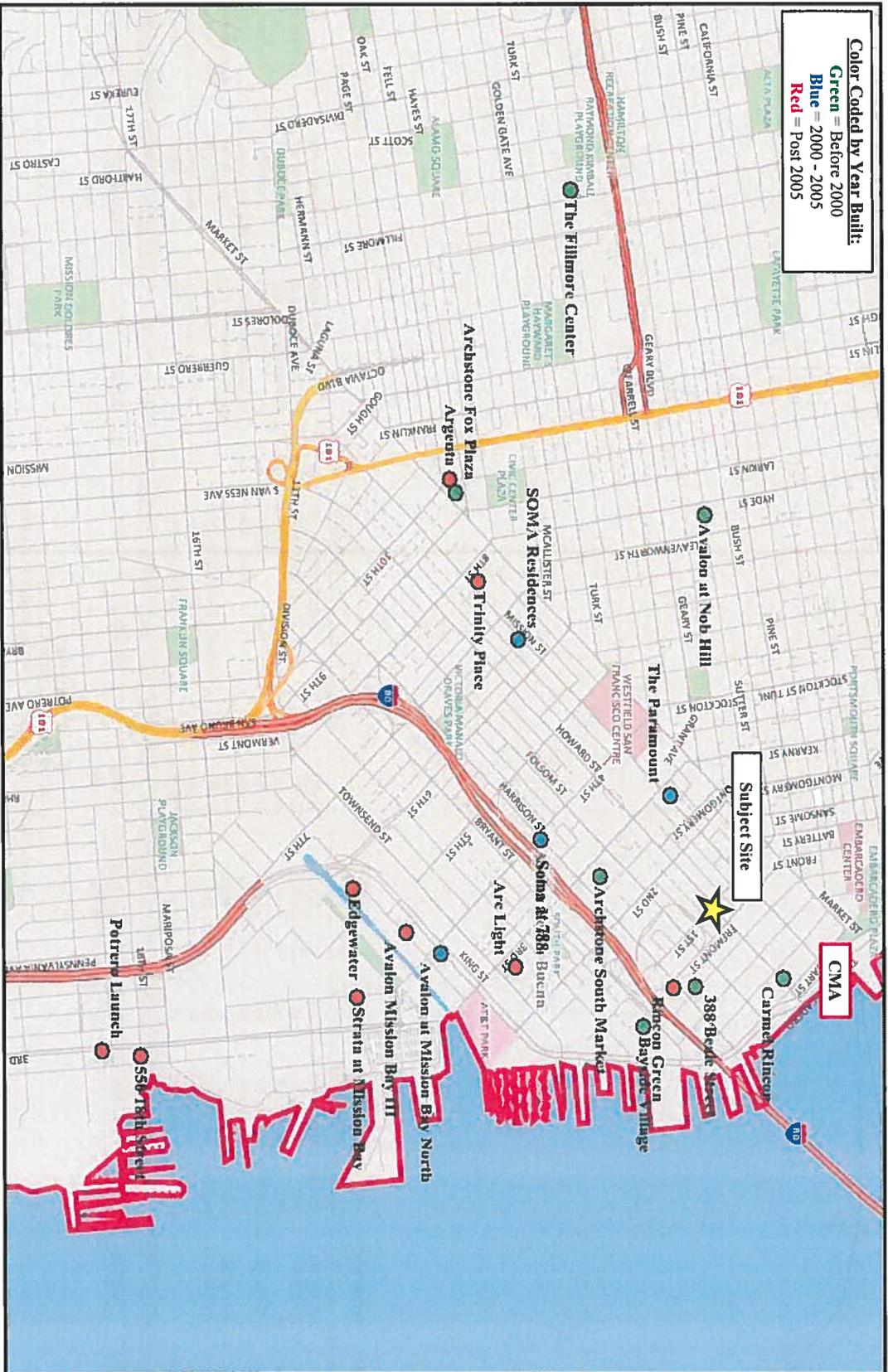
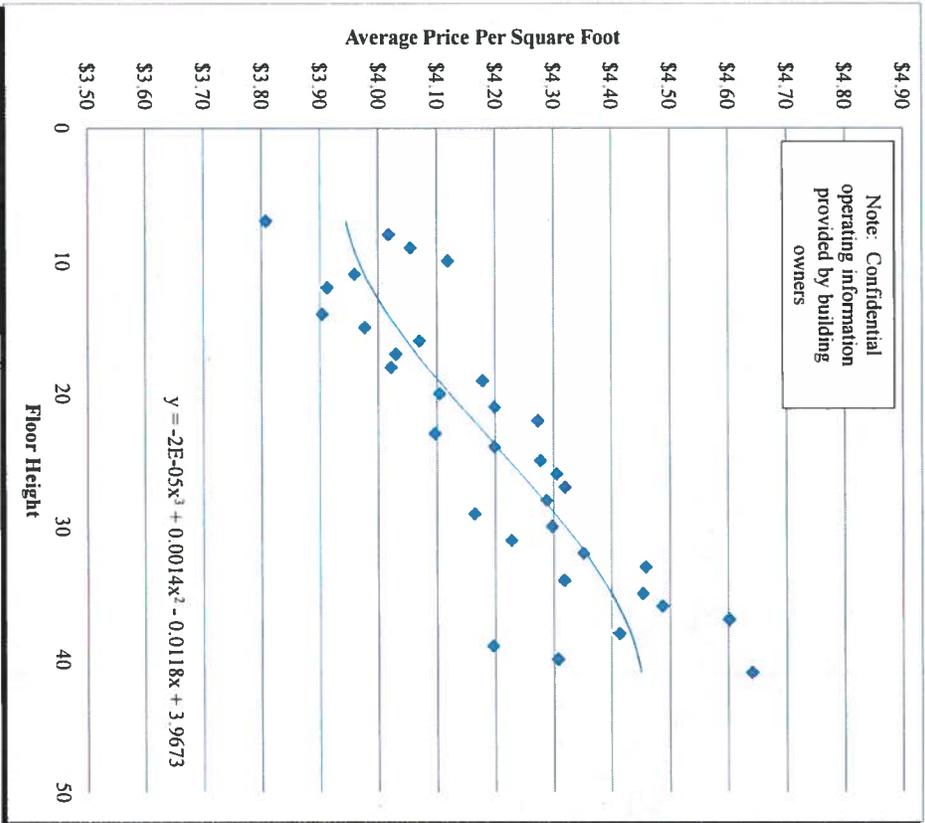


EXHIBIT III-5
 BUILDING TRANSACTIONS - MULTIFAMILY RESIDENTIAL
 SAN FRANCISCO, CALIFORNIA
 MARCH 2013

Property	Neighborhood	Seller	Buyer	Sale Date	Building Area		Units	Sale	Price			
					SF	Acres			Per SF	Per Acre	Per Unit	
Sales Comps - Multifamily Buildings												
Station House	SoMa	NA	Virtu Investments	Sep-12	-	-	25	\$16,600,000	-	-	-	\$664,000
2299 Pacific Ave	Pacific Heights	Marchus & Milichap	NA	Nov-12	-	-	16	10,500,000	-	-	-	656,250
Avalon Yerba Buena	SoMa	Avalon Bay	LaSalle Investment Management	Feb-13	32,000	0.73	160	103,000,000	\$3,219	\$140,208,750	643,750	643,750
1320 Lombard Street	Russian Hill	First American Title INS	Vertias LLC	May-11	23,800	0.59	33	19,000,000	736	32,079,070	575,758	575,758
2130 Post St.	Lower Pac Heights	University of the Pacific	Prado Group	Feb-12	-	-	57	27,800,000	-	-	-	488,147
Potrero Launch	Dogpatch	Martin Building	CityView	Mar-12	45,738	1.05	196	90,000,000	1,968	85,714,286	459,184	459,184
899 Pine St	Lower Nobb Hill	Grosvenor Properties Ltd.	Bridge Capital Partners	Jun-12	-	-	205	81,500,000	-	-	-	397,561
980 Bush Street	Lower Nobb Hill	LP Holdings LLC	AGPM Bush LP	Jun-12	12,197	0.28	37	11,320,000	928	40,428,571	305,946	305,946
Fox Plaza	Mid-Market	Archstone	Essex Property Trust	Feb-13	41,382	0.95	444	135,000,000	\$3,262	142,105,263	304,054	304,054
Total:			9 MF Sales		157,117	3.61	1,173	\$494,720,000	\$2,023	\$88,107,188	\$499,406	
Average:					31,423	0.72	130	\$54,968,899				

EXHIBIT III-6
 FLOOR HEIGHT PREMIUM ANALYSIS
 SOUTH OF MARKET; SAN FRANCISCO, CA
 MARCH 2013

High-Rise Apartment Positioning by Floor



Podium Apartment Positioning by Floor

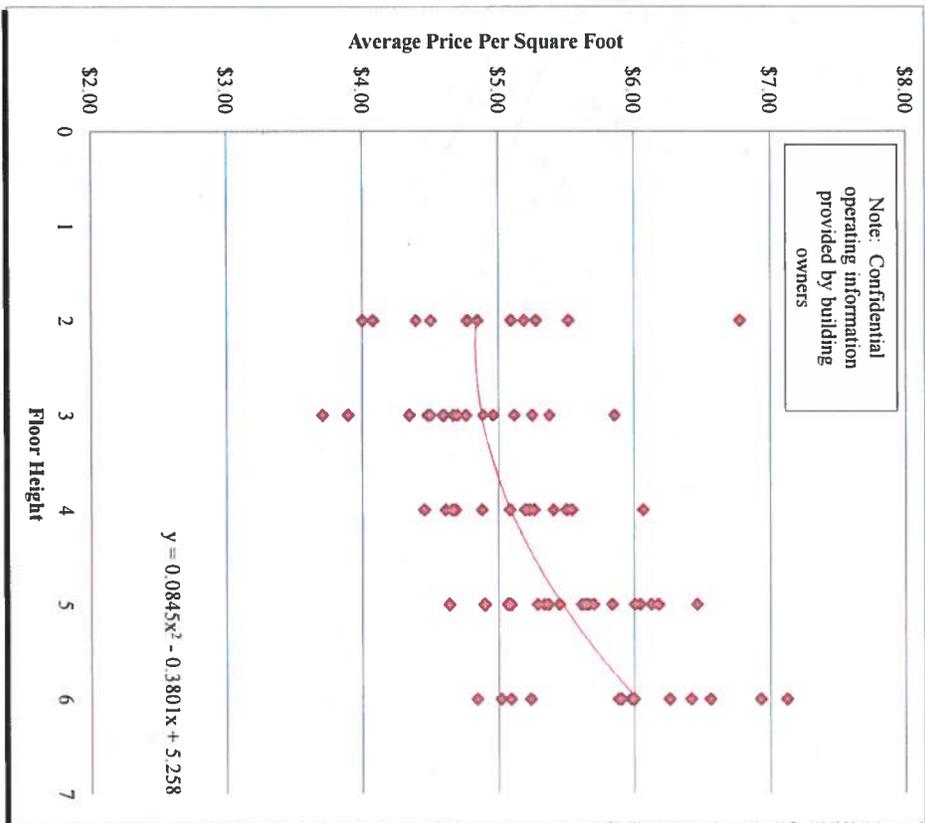
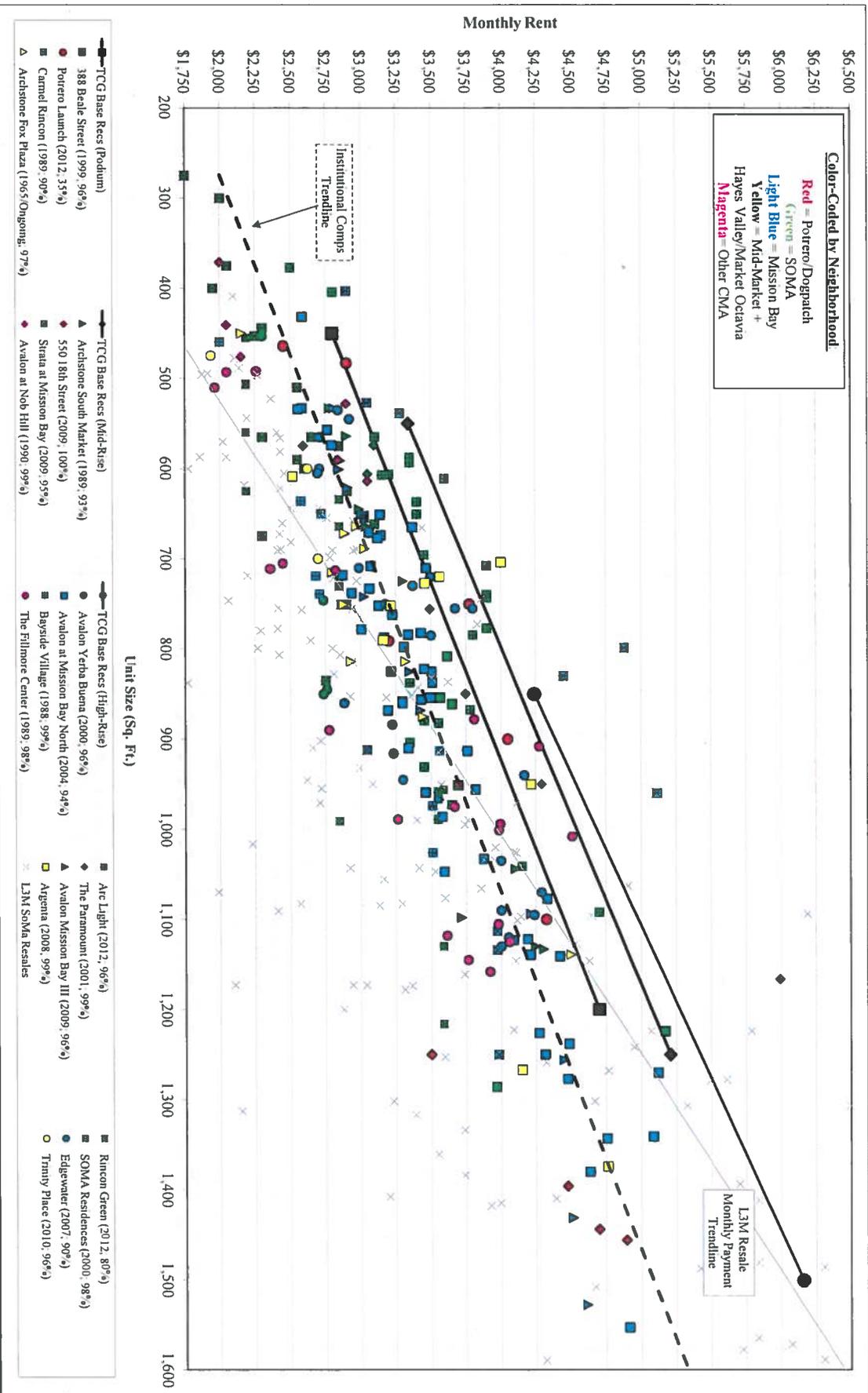


EXHIBIT III-7
PRODUCT PROGRAM POSITIONING
TRANSBAY REDEVELOPMENT SITE: SAN FRANCISCO, CA
MARCH 2013



Note: Subject Site rents exclude lease-up concessions (if any). Figures in parentheses represent year built and occupancy rate, respectively

EXHIBIT III-B
 VALUE PROJECTION-RENTAL APARTMENTS
 TRANSBAY
 FEBRUARY 2013

I. Apartment Projections

Low-Rise (Below 15 Stories)

Min Unit	8	Unit Size	450	Base Price	\$2,800	Base PSF	\$6.22
Max Unit	1,200	Unit Size	1,200	Base Price	\$4,700	Base PSF	\$1.92
Weighted Average:		Unit Size	850	Base Price	\$3,913	Base PSF	\$4.49

Mid-Rise (15 to 19 Stories)

Min Unit	15	Unit Size	550	Base Price	\$3,142	Base PSF	\$6.08
Max Unit	1,250	Unit Size	1,250	Base Price	\$5,207	Base PSF	\$4.17
Weighted Average:		Unit Size	950	Base Price	\$4,408	Base PSF	\$4.64

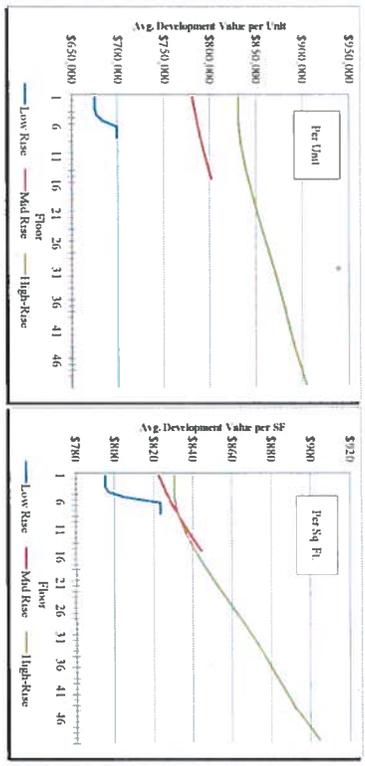
High-Rise (Above 20 Stories)

Min Unit	50	Unit Size	850	Base Price	\$4,242	Base PSF	\$4.99
Max Unit	1,500	Unit Size	1,500	Base Price	\$6,160	Base PSF	\$4.11
Weighted Average:		Unit Size	1,000	Base Price	\$4,685	Base PSF	\$4.68

Floor Average Rent Per Unit

II. Apartment Building Values - Base Rent and Values

Average Unit Size	850	Low-Rise/Footprint (< 9 Stories)	950	Mid-Rise (Up to 15 Stories)	1,000	High-Rise (Above 20 Stories)	1,000
Base Production	\$3,813		\$4,408		\$4,685		
Vacancy Loss	5%		\$1,187		\$1,430		
OpEx	\$1,087		\$1,256		\$1,315		
NOI	\$2,556		\$2,911		\$1,115		
Cap Rate	4.5%		4.5%		4.5%		
Cap Value	\$570,231		\$781,597		\$830,728		
Value Per Square Foot	\$796		\$823		\$843		



III. Hypothetical Building Values - Apartment Value

Floor	Low-Rise			Mid-Rise			High-Rise		
	Prem	Rent	Per-SF	Prem	Rent	Per-SF	Prem	Rent	Per-SF
1	0%	\$1,813	\$676,231	0%	\$1,408	\$781,597	0%	\$1,685	\$830,728
2	0%	\$1,813	\$676,231	0%	\$1,421	\$784,050	0%	\$1,685	\$830,728
3	0%	\$1,813	\$676,231	1%	\$1,434	\$786,619	0%	\$1,685	\$830,728
4	1%	\$1,847	\$682,160	1%	\$1,463	\$791,410	0%	\$1,688	\$831,366
5	5%	\$4,013	\$711,722	2%	\$1,480	\$794,385	0%	\$1,699	\$833,346
6	15%	\$4,385	\$777,666	2%	\$1,498	\$797,581	1%	\$1,712	\$835,641
7				2%	\$1,517	\$800,974	1%	\$1,727	\$838,257
8				3%	\$1,537	\$804,542	1%	\$1,743	\$841,158
9				3%	\$1,558	\$808,259	2%	\$1,761	\$844,320
10				4%	\$1,580	\$812,103	2%	\$1,780	\$847,717
11				4%	\$1,580	\$812,103	3%	\$1,801	\$851,324
12				5%	\$1,624	\$816,050	3%	\$1,844	\$855,115
13				5%	\$1,647	\$824,156	4%	\$1,844	\$859,067
14				6%	\$1,671	\$828,269	4%	\$1,891	\$863,152
15							5%	\$1,915	\$871,636
16							5%	\$1,940	\$875,963
17							6%	\$1,964	\$880,334
18							6%	\$1,989	\$884,714
19							7%	\$2,014	\$889,076
20							8%	\$2,038	\$893,397
21							8%	\$2,062	\$897,650
22							9%	\$2,085	\$901,811
23							10%	\$2,108	\$905,855
24							10%	\$2,130	\$909,756
25							10%	\$2,151	\$913,489
26							11%	\$2,171	\$917,028
27							11%	\$2,190	\$920,350
28							11%	\$2,207	\$923,427
29							11%	\$2,223	\$926,237
30							11%	\$2,237	\$928,782
31							12%	\$2,250	\$931,098
32							12%	\$2,261	\$933,179
33							12%	\$2,270	\$934,948
34							12%	\$2,278	\$936,426
35							12%	\$2,284	\$937,643
36							13%	\$2,289	\$938,629
37							13%	\$2,292	\$939,407
38							13%	\$2,294	\$939,996
39							13%	\$2,295	\$940,426
40							13%	\$2,295	\$940,728
41							13%	\$2,295	\$940,914
42							13%	\$2,295	\$940,997
43							13%	\$2,295	\$940,997
44							13%	\$2,295	\$940,997
45							13%	\$2,295	\$940,997
46							13%	\$2,295	\$940,997
47							13%	\$2,295	\$940,997
48							13%	\$2,295	\$940,997
49							13%	\$2,295	\$940,997
50							13%	\$2,295	\$940,997
Avg:	1.5%	\$3,948	\$700,040	2.7%	\$4,536	\$802,557	0.2%	\$5,101	\$904,586

IV. Building Avg. Value by Floor (W of Floor)

Floor	Low-Rise			Mid-Rise			High-Rise		
	Prem	Rent	Per-SF	Prem	Rent	Per-SF	Prem	Rent	Per-SF
1	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
2	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
3	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
4	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
5	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
6	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
7	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
8	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
9	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
10	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
11	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
12	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
13	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
14	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
15	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
16	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
17	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
18	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
19	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
20	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
21	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
22	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
23	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
24	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
25	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
26	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
27	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
28	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
29	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
30	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
31	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
32	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
33	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
34	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
35	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
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37	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
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39	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
40	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
41	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
42	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
43	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
44	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
45	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
46	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
47	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
48	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
49	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
50	\$676,231	\$796	\$781,597	\$823	\$830,728	\$811	\$676,231	\$796	\$781,597
Avg:	1.5%	\$3,948	\$700,040	2.7%	\$4,536	\$802,557	0.2%	\$5,101	\$904,586

IV. OFFICE

EXHIBIT IV-1
 OFFICE MARKET AREA DELINEATION
 SAN FRANCISCO, CALIFORNIA
 MARCH 2013

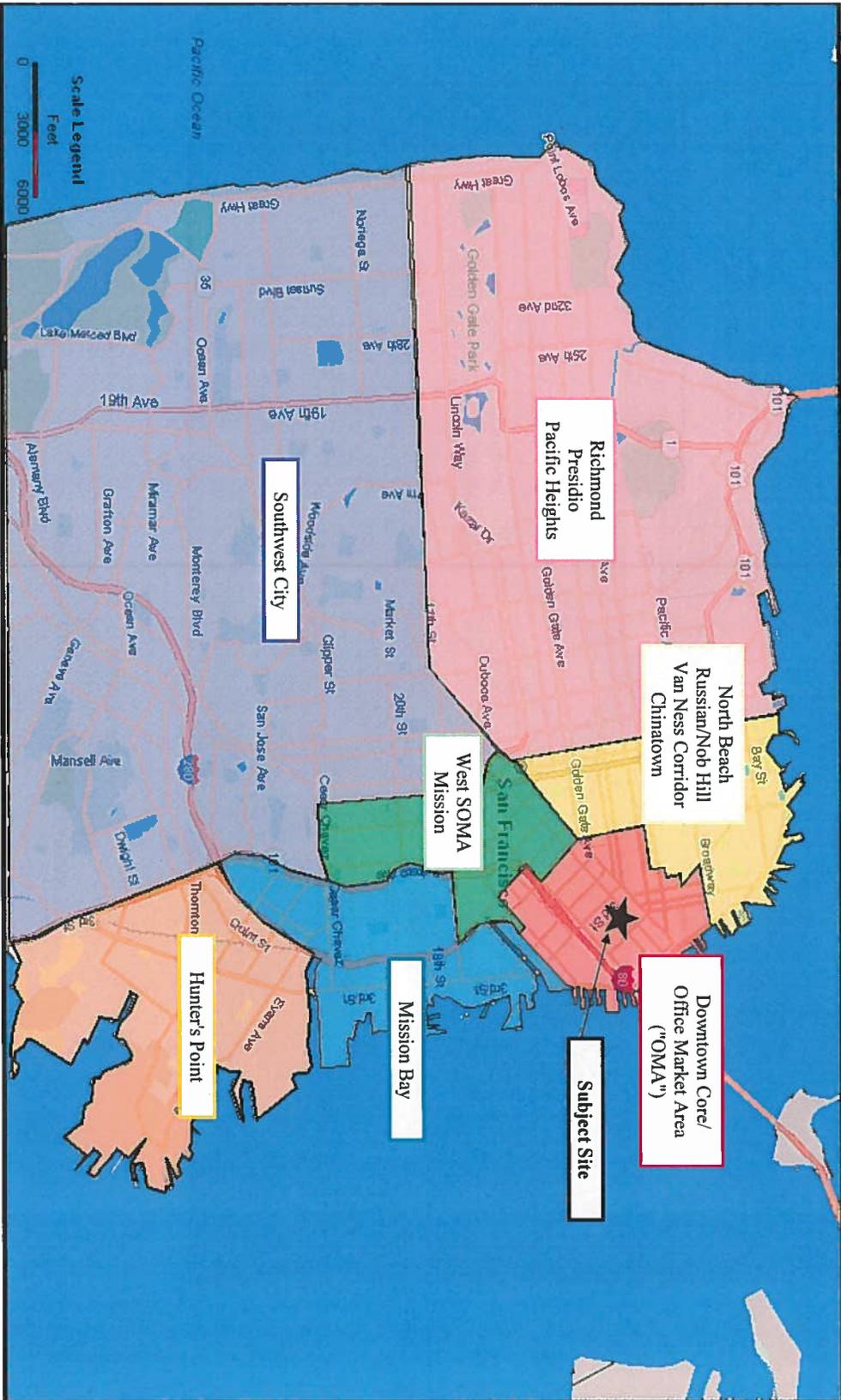
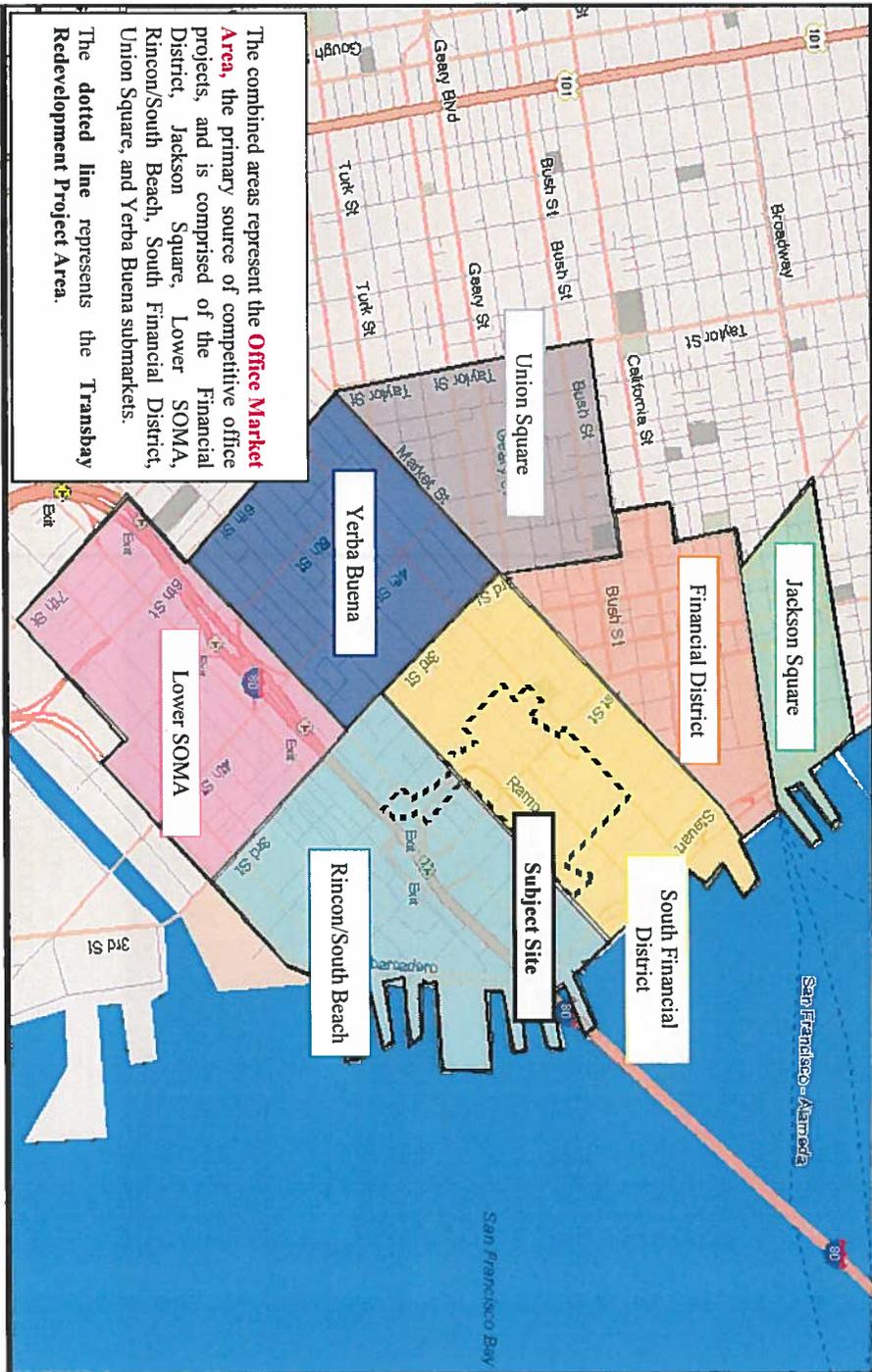


EXHIBIT IV-1
 OFFICE MARKET AREA DELINEATION
 SAN FRANCISCO, CALIFORNIA
 MARCH 2013

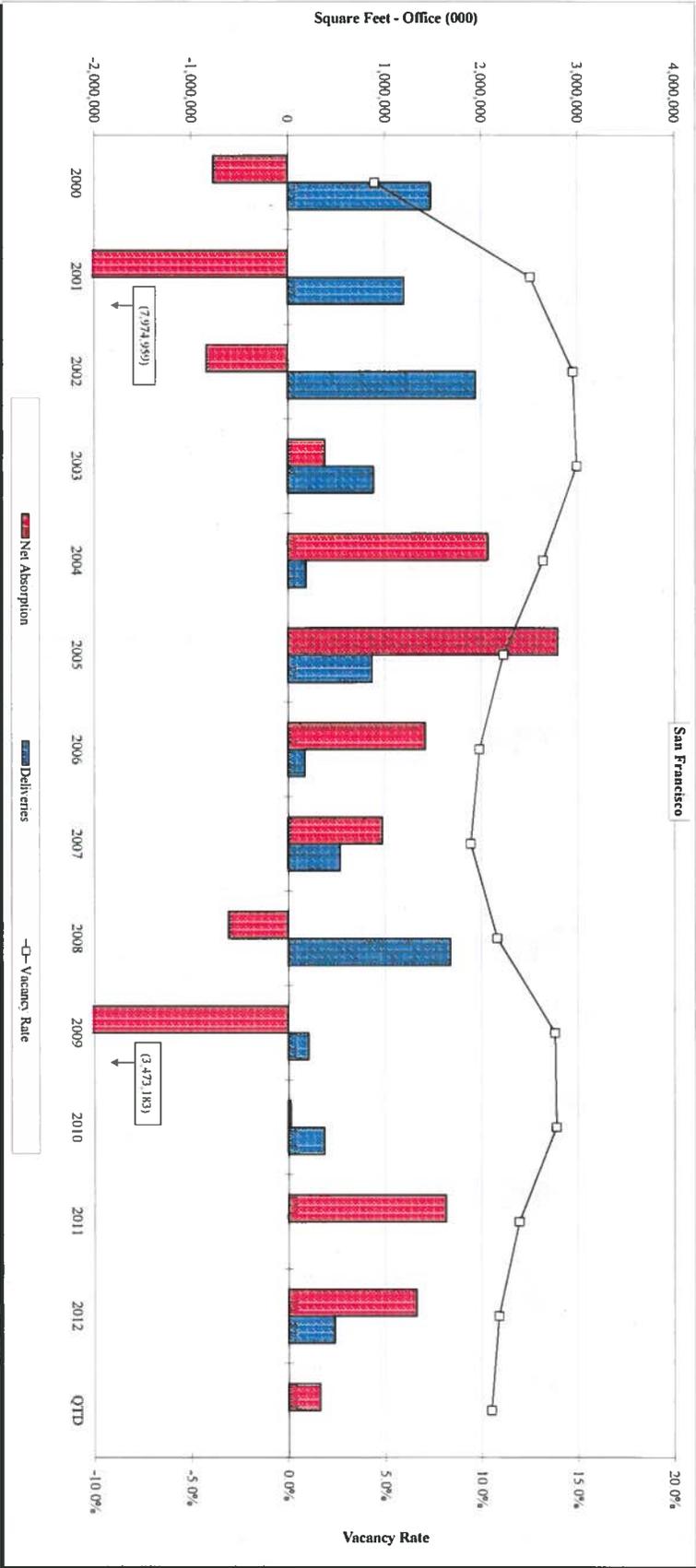


The combined areas represent the **Office Market Area**, the primary source of competitive office projects, and is comprised of the Financial District, Jackson Square, Lower SOMA, Rincon/South Beach, South Financial District, Union Square, and Yerba Buena submarkets.

The dotted line represents the **Transbay Redevelopment Project Area**.

EXHIBIT IV-2
 MACRO MARKET PERFORMANCE
 SAN FRANCISCO COUNTY, CALIFORNIA
 2000 THROUGH 1Q2013

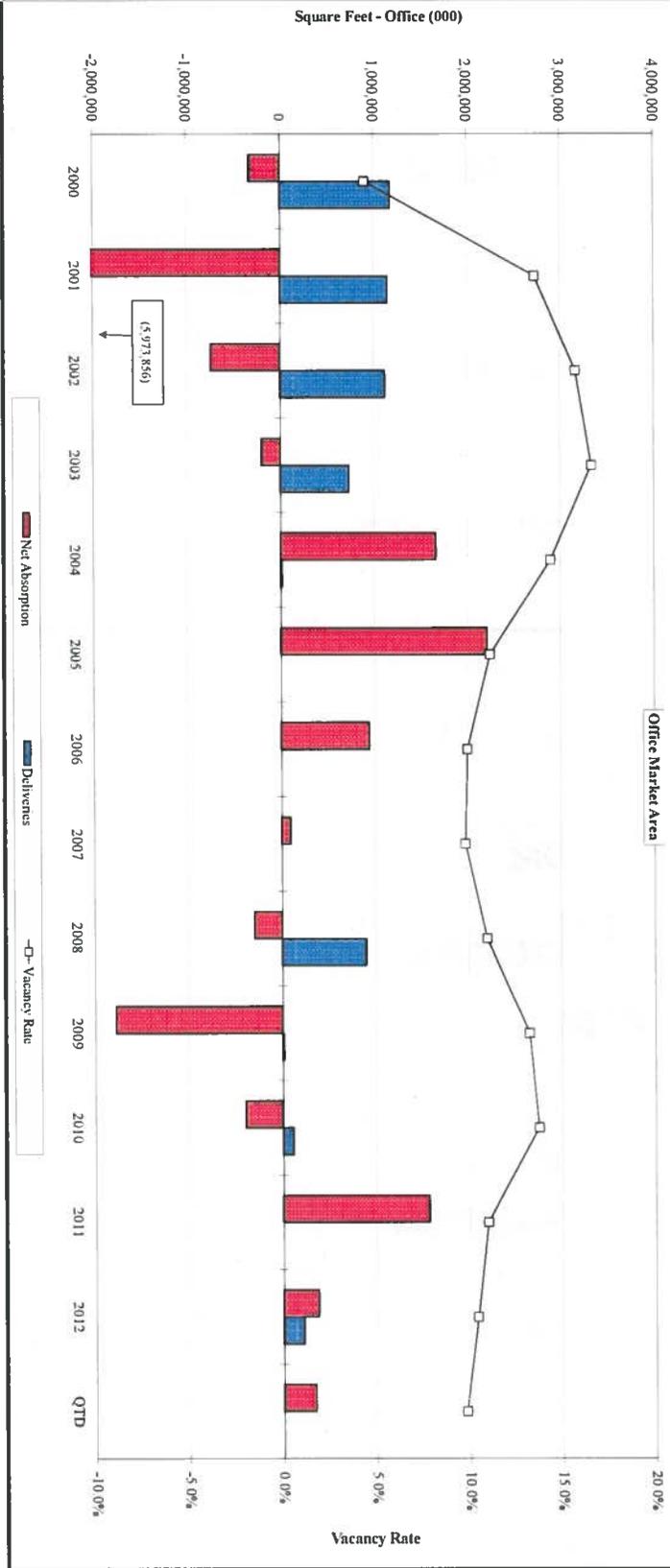
Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	QTD
<i>San Francisco</i>														
SF County RBA	109,242,919	110,200,213	112,093,630	112,788,300	112,919,478	113,453,060	113,513,965	114,016,213	115,077,280	115,056,368	115,178,468	114,493,497	114,633,327	114,493,215
Net Absorption	-767,689	-7,974,959	-838,298	381,497	2,075,238	2,793,262	1,418,861	973,564	-617,001	-3,473,183	21,624	1,633,576	1,323,037	326,202
Deliveries	1,479,284	1,203,537	1,945,417	885,110	185,026	868,381	172,679	537,400	1,678,272	206,729	370,410	0	475,653	0
Total Vacancy Rate	4.5%	12.5%	14.8%	15.0%	13.2%	11.2%	9.9%	9.4%	10.8%	13.8%	13.9%	11.9%	10.9%	10.5%
Vacant SF	4,892,712	13,824,965	16,556,680	16,869,853	14,925,793	12,666,113	11,236,127	10,764,811	12,442,879	15,895,150	15,995,626	13,677,079	12,493,872	12,027,558



Source: CoStar

EXHIBIT IV-2
 MACRO MARKET PERFORMANCE
 OFFICE MARKET AREA
 2000 THROUGH 1Q2013

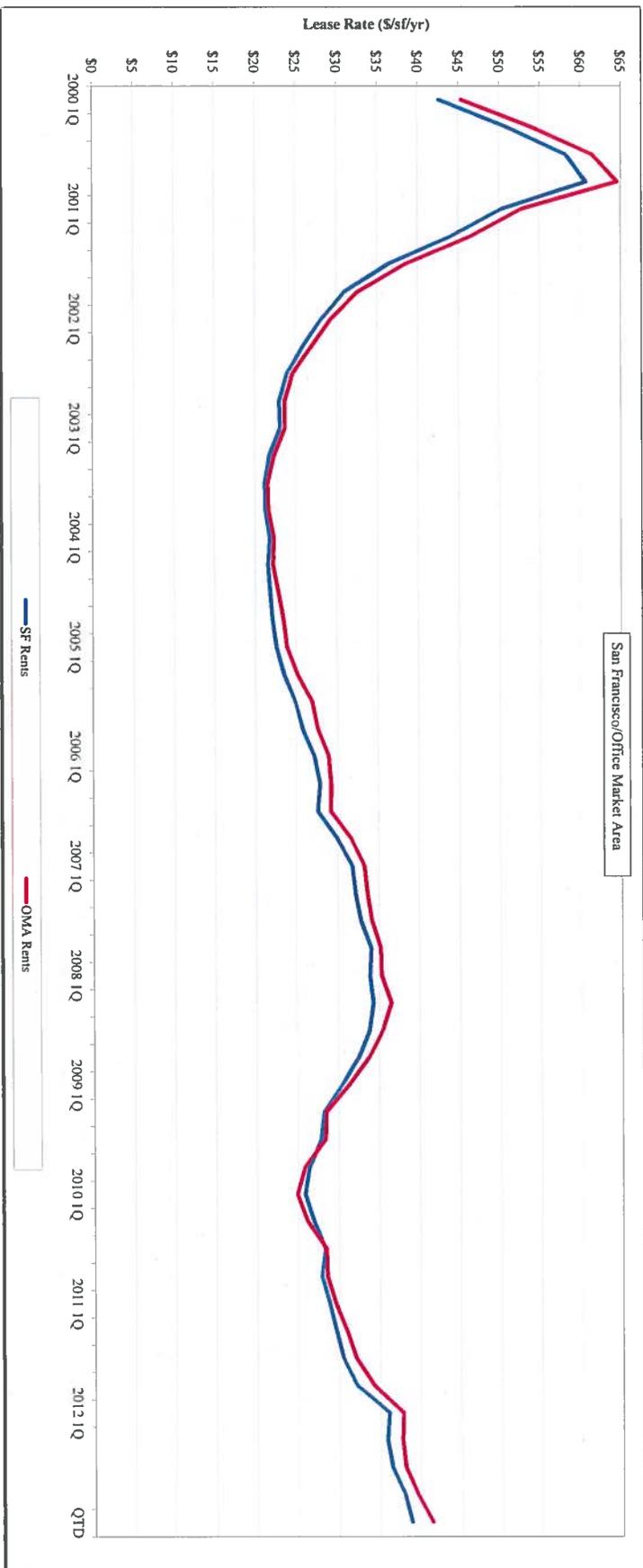
Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	QTD
Office Market Area	74,117,167	75,021,915	76,092,062	76,635,969	76,599,523	76,264,724	76,264,724	76,264,724	76,915,834	76,863,923	76,851,933	76,245,778	76,188,917	76,048,805
SF County RBA	-324,549	-5,973,856	-738,339	-202,974	1,663,189	2,208,701	942,729	96,733	-298,748	-1,777,416	-395,211	1,568,244	376,833	345,079
Net Absorption	1,182,196	1,150,991	1,122,147	734,347	17,402	0	0	0	900,053	15,000	112,410	0	218,556	0
Deliveries	4.5%	13.6%	15.8%	16.7%	14.5%	11.2%	10.0%	9.8%	11.0%	13.2%	13.7%	11.0%	10.4%	9.8%
Trade Vacancy Rate	3,348,244	10,226,848	12,035,334	12,782,215	11,082,580	8,539,080	7,596,351	7,499,618	8,449,476	10,174,981	10,558,202	8,383,803	7,950,109	7,464,918
Vacant SF														



Source: Colliers

**EXHIBIT IV-2
MACRO MARKET PERFORMANCE
SAN FRANCISCO COUNTY, CALIFORNIA
2000 THROUGH 2012**

Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	QTD
San Francisco														
Rental Rate	60,770	31,069	23,059	21,319	22,159	25,819	29,969	34,049	32,479	26,450	27,909	32,209	38,049	38,919
Y/Y % Change	45%	-49%	-26%	-8%	4%	17%	16%	14%	-5%	-19%	-14%	22%	17%	47%
Vacancy Rate	4.5%	12.5%	14.8%	15.0%	13.2%	11.2%	9.9%	9.4%	10.8%	13.8%	13.9%	11.9%	10.9%	10.5%
Office Market Area														
Rental Rate	\$56.37	\$43.66	\$36.18	\$22.33	\$22.71	\$25.91	\$29.75	\$34.07	\$35.29	\$28.53	\$27.05	\$31.74	\$38.39	\$41.43
% City	93%	137%	114%	105%	102%	100%	99%	100%	109%	108%	97%	99%	101%	106%
Y/Y % Change	27%	-24%	-39%	-15%	2%	14%	15%	15%	4%	-19%	-23%	11%	9%	45%
Vacancy Rate	4.5%	13.6%	15.8%	16.7%	14.5%	11.2%	10.0%	9.8%	11.0%	13.2%	13.7%	11.0%	10.4%	9.8%



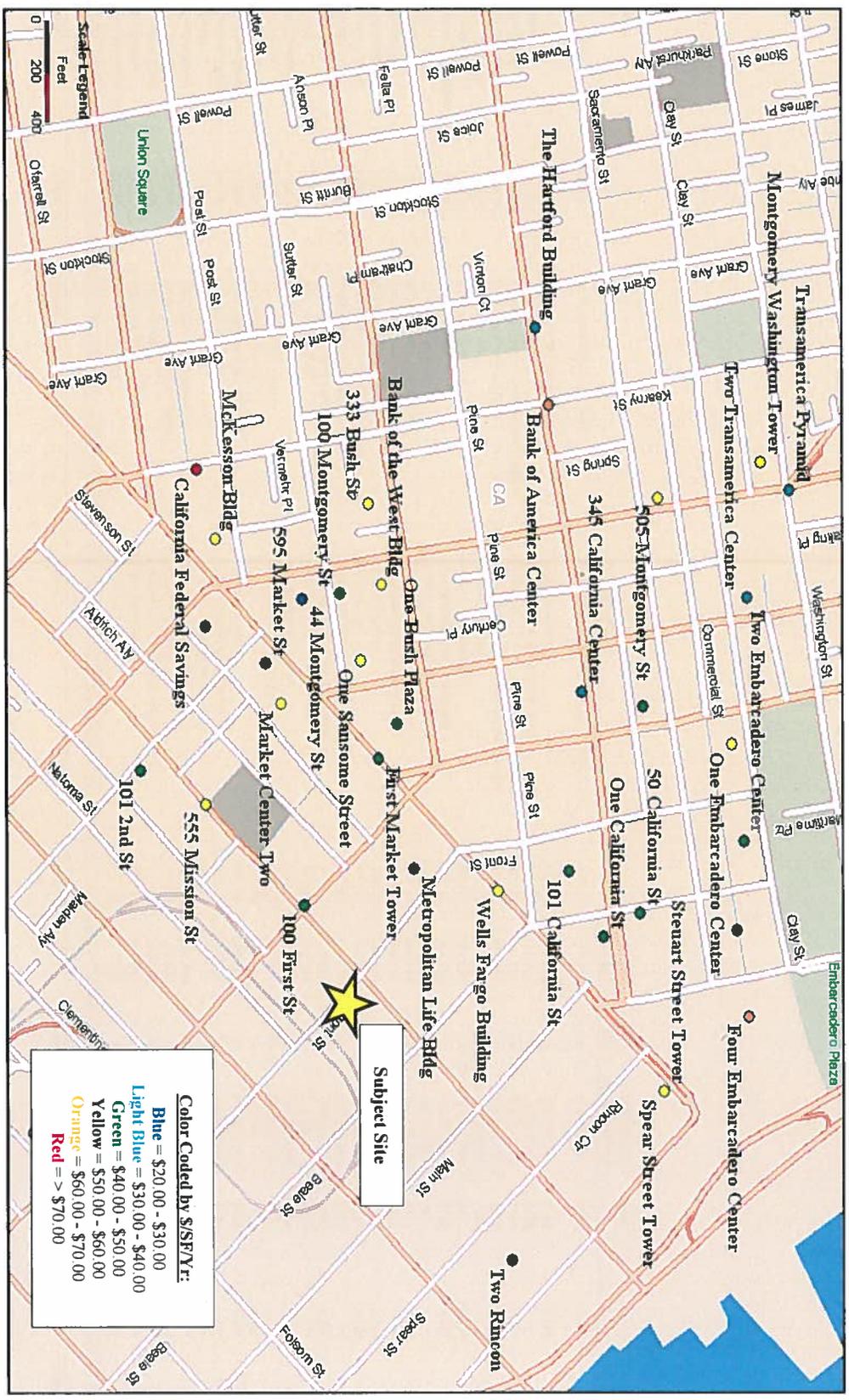
Source: CoStar

EXHIBIT IV-3
CURRENT INVENTORY SUMMARY-CLASS A (1)
OFFICE MARKET AREA
MARCH 2013

Project/Address	Location	Year Built/ Renovated	No. Stories	Percent Leased	RBA (\$)	Typ. Floor Size (\$)	Direct Available (\$)	Rental Rate (\$/SF/Yr) Min. Max.	Average	Lease Type
South Financial District										
Wells Fargo Building	333 Market St	1979	33	98%	657,115	18,060	12,002	\$40.00 \$85.00	\$54.00	FSG
555 Mission St	555 Mission St	2008	33	88%	557,015	21,000	65,439	\$57.00 \$82.00	\$58.00	FSG
Speer Street Tower	1 Market St	1976	42	96%	883,778	21,042	132,046	\$52.00 \$82.00	\$57.00	FSG
Market Center Two	575 Market St	1975	40	89%	486,711	12,190	65,537	\$55.00 \$82.00	\$55.00	FSG
First Market Tower	525 Market St	1973	39	95%	1,083,000	28,500	64,877	\$50.00 \$82.00	\$50.00	FSG
Metropolitan Life Bldg	425 Market St	1973	38	95%	1,101,389	28,983	135,960	\$42.50 \$82.00	\$42.50	FSG
Stewart Street Tower	1 Market St	1976	27	99%	516,222	19,119	13,443	\$45.00 \$85.00	\$54.00	FSG
New Montgomery Tower	33 New Montgomery St	1986	20	89%	241,794	12,500	35,158	\$43.00 \$82.00	\$43.00	FSG
100 First St	100 First St	1988	27	99%	465,363	17,962	18,585	\$42.75 \$82.00	\$42.75	FSG
595 Market St	595 Market St	1981	30	96%	428,420	14,280	48,168	\$47.54 \$82.00	\$47.54	FSG
101 2nd St	101 2nd St	2000	25	99%	388,370	16,410	44,026	\$50.00 \$82.00	\$50.00	FSG
Two Rincon	121 Speer St	1989	6	91%	326,001	54,333	33,446	\$35.00 \$82.00	\$43.32	FSG
Total:	12 Bldgs	1981	33	95%	7,135,178	22,751	668,687	\$35.00 \$82.00	\$50.17	
Financial District										
Bank of America Center	555 California St	1969	52	95%	1,497,000	28,627	75,903	\$53.00 \$94.00	\$65.00	FSG
One Embarcadero Center	One Embarcadero Cir	1971	45	96%	823,389	20,168	43,981	\$52.07 \$82.00	\$52.07	FSG
333 Bush St	333 Bush St	1986	43	88%	542,743	17,500	69,049	\$58.00 \$82.00	\$58.00	FSG
50 California St	50 California St	1972	37	99%	687,574	19,000	99,066	\$32.00 \$82.00	\$32.00	FSG
The Hartford Building	650 California St	1963	33	95%	489,373	14,475	43,014	\$54.00 \$82.00	\$54.00	FSG
505 Montgomery St	505 Montgomery St	1988	24	91%	329,732	14,500	24,094	\$64.00 \$82.00	\$64.00	FSG
Four Embarcadero Center	Four Embarcadero Cir	1979	45	91%	1,035,779	21,635	130,713	\$80.00 \$82.00	\$80.00	FSG
One California St	One California St	1969	32	98%	484,129	16,000	54,083	\$41.00 \$82.00	\$41.00	FSG
Three Embarcadero Center	Three Embarcadero Cir	1976	30	96%	767,350	25,578	51,945	\$70.00 \$82.00	\$70.00	FSG
Two Embarcadero Center	Two Embarcadero Cir	1974	30	99%	772,990	26,010	20,918	\$48.50 \$82.00	\$48.50	FSG
One Bush Plaza	1 Bush St	1959	18	94%	313,905	17,044	68,983	\$50.00 \$82.00	\$50.00	FSG
Embarcadero Center West	275 Battery St	1988	30	87%	475,138	15,909	62,824	\$32.00 \$82.00	\$32.00	FSG
Montgomery Washington Tower	655 Montgomery St	1983	27	71%	264,000	16,500	82,714	\$75.00 \$82.00	\$75.00	FSG
California Federal Savings	66-88 Kearny St	1986	22	85%	221,952	10,088	35,078	\$75.00 \$82.00	\$75.00	FSG
345 California Center	345 California St	1986	48	95%	600,000	17,143	66,873	\$38.54 \$82.00	\$38.54	FSG
44 Montgomery St	44 Montgomery St	1966	42	95%	654,350	15,579	37,582	\$24.20 \$82.00	\$24.20	FSG
Bank of the West Bldg	180 Montgomery St	1979	25	98%	325,006	13,000	22,563	\$39.96 \$82.00	\$39.96	FSG
Two Transamerica Center	505 Sansome St	1980	20	94%	180,291	9,014	20,058	\$53.00 \$82.00	\$53.00	FSG
One Sansome Street	1 Sansome St	1984	41	77%	611,000	16,000	168,024	\$47.30 \$82.00	\$47.30	FSG
101 California St	101 California St	1982	48	82%	1,237,631	25,064	197,587	\$43.00 \$82.00	\$43.00	FSG
100 Montgomery St	100 Montgomery St	1955	25	82%	424,254	16,970	95,428	\$55.00 \$82.00	\$55.00	FSG
Mckesson Bldg	1 Post St	1969	37	91%	443,000	11,000	54,280	\$40.00 \$82.00	\$40.00	FSG
Transamerica Pyramid	600 Montgomery St	1972	48	90%	499,215	10,400	53,408	\$40.00 \$82.00	\$40.00	FSG
Total:	23 Bldgs	1975	39	92%	13,679,802	19,567	1,578,168	\$35.00 \$82.00	\$50.12	
Average/Wtd. Average:	35 Bldgs	1977	37	93%	20,814,980	20,658	2,246,855	\$35.00 \$82.00	\$50.14	
Overall Avg./Wtd. Avg.:					594,714		76,045			

(1) Selected comparable projects based on size, building class (A) and lease rate
(2) Weighted by rentable building area sf
Sources: CoStar, The Concord Group

EXHIBIT IV-4
CURRENT OFFICE INVENTORY LOCATIONS MAP
SAN FRANCISCO, CALIFORNIA
MARCH 2013



Color Coded by S\$/SF/Yr:	
Blue	= \$20.00 - \$30.00
Light Blue	= \$30.00 - \$40.00
Green	= \$40.00 - \$50.00
Yellow	= \$50.00 - \$60.00
Orange	= \$60.00 - \$70.00
Red	= > \$70.00

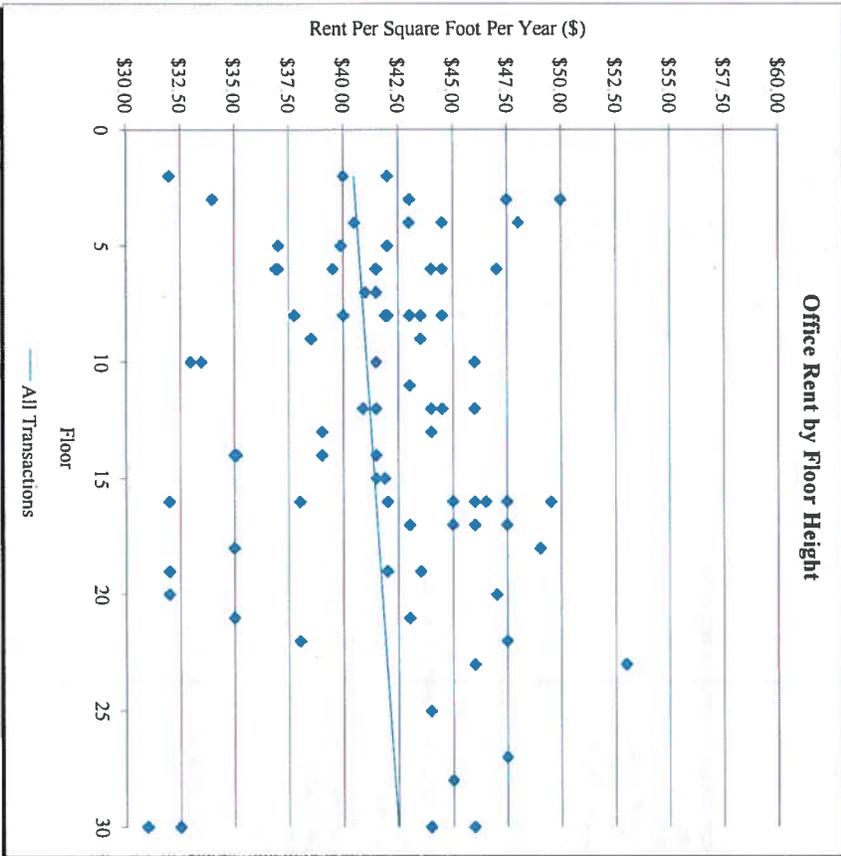
Subject Site

EXHIBIT IV-5
 BUILDING TRANSACTIONS - OFFICE
 SAN FRANCISCO, CALIFORNIA
 JANUARY 2012 THROUGH MARCH 2013

Property	Type	Seller	Buyer	Sale Date	RBA	Stories	Sale Price	Per SF	Cap Rate	Year Built
Sales Camps										
116 New Montgomery	Office	Africa Israel USA	Hines Invesco Ltd	Mar-13	131,345	9	57,000,000	\$434	4.5%	1902
100 Spear Street	Office	Claron Partners	Prudential Insurance	Mar-13	203,071	21	100,000,000	\$492	-	1984
450 Sansome Street	Office	450 Sansome LLC	Cornerstone Real Estate Advisors	Jan-13	135,000	16	51,000,000	\$378	-	1965
132 2nd Street	Office	Swint 140 Second Investors	140 Second Street	Jan-13	34,000	6	18,650,000	\$549	6.0%	1907
199 Fremont Street	Office	GLL Real Estate Partners	GLL BVK Properties	Dec-12	405,000	20	123,650,010	\$305	-	2000
333 Market	Office	HD333, LLC	Wells Fargo Real Estate Funds	Dec-12	657,115	33	395,250,000	\$601	-	1979
235 California Street	Office	HB-235 California LLC	Prudential Real Estate Investors	Dec-12	182,528	14	76,000,000	\$416	-	1959
343 Sansome Street	Office	Inherland 343 Sansome, LLC	Claron Partners	Dec-12	256,985	16	109,225,000	\$425	4.8%	1929
475 Sansome Street	Office	475 Sansome LLC	MEPT	Dec-12	348,183	21	163,000,000	\$468	4.1%	1969
101 California	Office	101 California Venture	Elm Property Venture LLC	Dec-12	1,237,631	48	864,500,000	\$699	3.8%	1982
100 Montgomery Street	Office	Hines	The Blackstone Group	Oct-12	424,234	25	165,000,000	\$389	4.1%	1955
255 Bush	Office	SEB Immobilien	Flynn Holdings	Sep-12	567,981	22	212,000,000	\$373	-	1921
50 Beale Street	Office	Broadway Partners Fund Manager	Kevin Hackett, Yulka Yanigisawa	Sep-12	662,060	23	305,000,000	\$461	4.5%	1968
680 Folsom	Office	Rockwood Capital LLC	Boston Properties	Aug-12	479,220	14	171,615,000	\$358	-	-
500 Howard Street	Office	Utah State Retirement Investment Fund	Heitman LLC	Jun-12	233,290	10	184,500,000	\$791	7.1%	2003
600 California	Office	Beacon Capital Partners	Claron Partners	Jun-12	346,640	20	180,000,000	\$519	5.0%	1990
555 Mission St	Office	Tishman Speyer	The Union Investment Group	Jun-12	558,125	33	446,500,000	\$800	-	1963
650 California	Office	AEW Capital Management	Tishman Speyer	Jun-12	489,373	33	218,638,000	\$447	4.5%	-
901 Market St	Office/Retail	Hudson Advisors	Hudson Pacific Properties	May-12	211,000	6	90,000,000	\$427	-	-
The Bancroft Building	Office	Ellis Partners	Harvest Properties/Invesco RE	May-12	93,107	6	30,000,000	\$332	4.8%	-
72 Townsend St	Office	West Bay Builders	Hoopers Ventures, LLC	May-12	28,839	1	11,850,000	\$411	5.3%	-
935-939 Market St	Office	Commonfund	Hudson Advisors	Apr-12	82,134	8	15,000,000	\$183	-	-
Foundry Square I	Office	AREA Property Partners	State Teachers Retirement System of Ohio	Apr-12	334,230	10	238,000,000	\$712	5.8%	-
650 Townsend	Office	Ferallion Capital Management/ TMG	Zynga, Inc	Apr-12	670,000	8	228,000,000	\$340	-	-
222 Sutter	Office	Equity One, LLC	SF 222 Sutter Street owner LLC	Mar-12	128,595	7	53,800,000	\$418	-	-
2 Bryant St	Office	AEGON USA Realty Advisors	Strada investment	Feb-12	53,495	3	18,500,000	\$346	5.0%	-
156 2nd Street	Office	Blue Visa Capital Partners	Nicola Crosby Real Estate Investments	Jan-12	58,313	6	25,750,000	\$442	6.0%	1907
Total:					9,011,515	439	\$4,552,428,010	\$505		
Average:					333,760	16	168,608,445			

EXHIBIT IV-6
FLOOR HEIGHT PREMIUM ANALYSIS
OFFICE MARKET AREA
MARCH 2013

I. Recent Same-Building Lease Transactions by Floor - SoMa

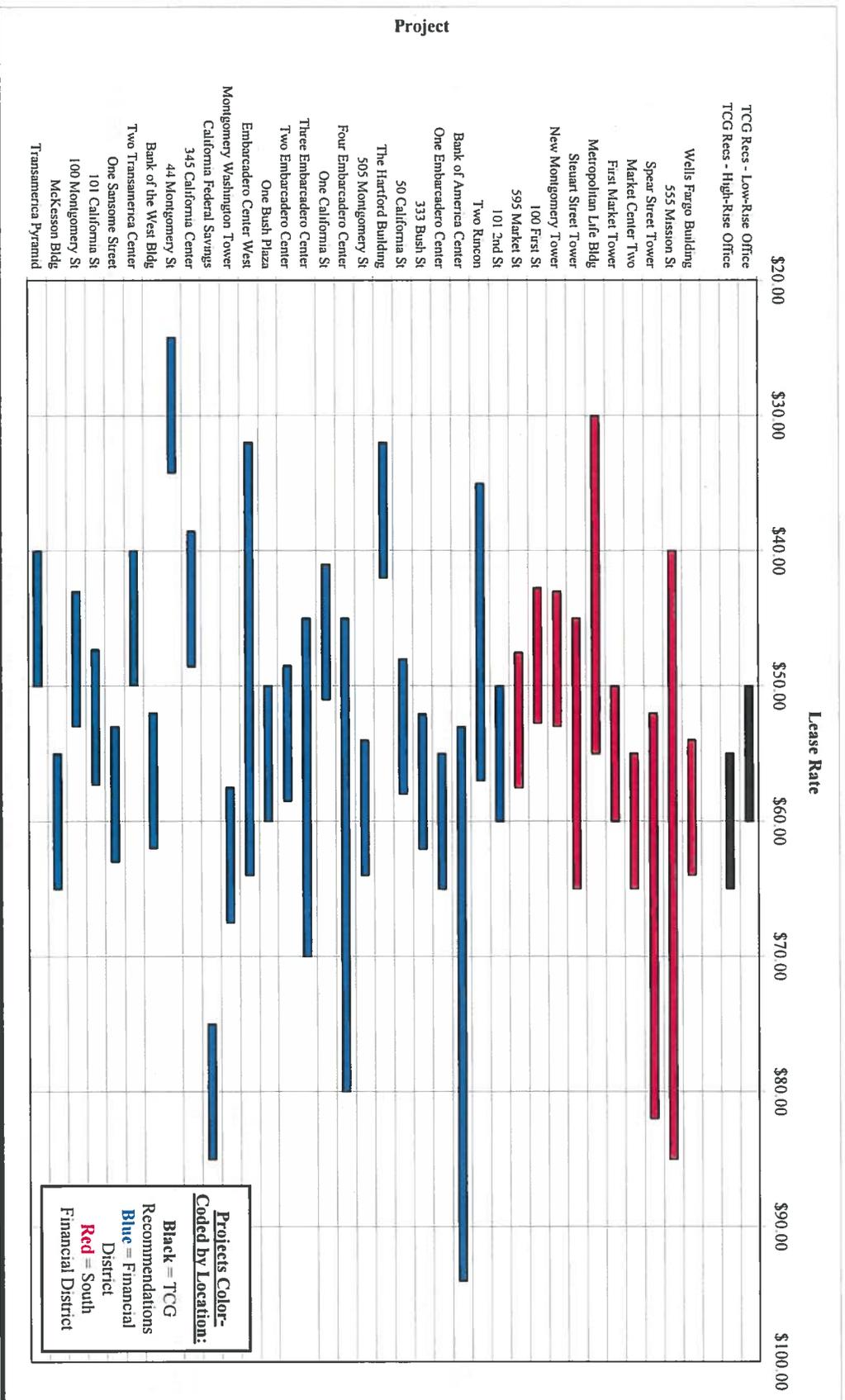


Note: Recent transactions include leases signed during the 2012-13 calendar years

II. Selected Building Floor Premiums

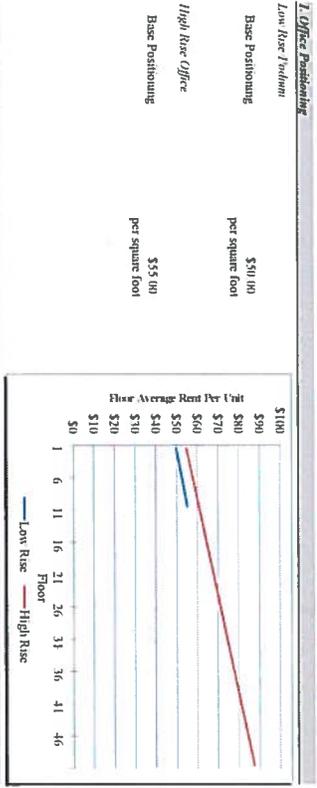
	Base Floor		Top Floor		Bld. Premium	Average Per Floor Premium
	Floor	Rent	Floor	Rent		
33 New Montgomery St	12	\$44.50	18	\$49.00	10%	0.8%
111 Pine st	16	\$32.00	18	\$35.00	9%	2.3%
101 Montgomery St	5	\$37.00	17	\$43.00	16%	0.5%
221 Main St	2	\$42.00	16	\$49.50	18%	0.6%
555 Montgomery St	6	\$36.89	16	\$45.00	22%	1.2%
595 Market St	6	\$41.44	23	\$46.00	11%	0.3%
90 New Montgomery St	2	\$40.00	15	\$41.50	4%	0.2%
475 Sansome St	2	\$41.00	15	\$46.00	12%	0.6%
601 Montgomery St	6	\$39.50	20	\$47.00	19%	0.5%
575 Market St	17	\$42.00	19	\$46.00	10%	0.4%
455 Market St	5	\$42.00	16	\$46.17	10%	0.7%
Average:	7	\$39.85	18	\$44.92	13%	1.2%

EXHIBIT IV-7
RECOMMENDED OFFICE POSITIONING
OFFICE MARKET AREA
MARCH 2013



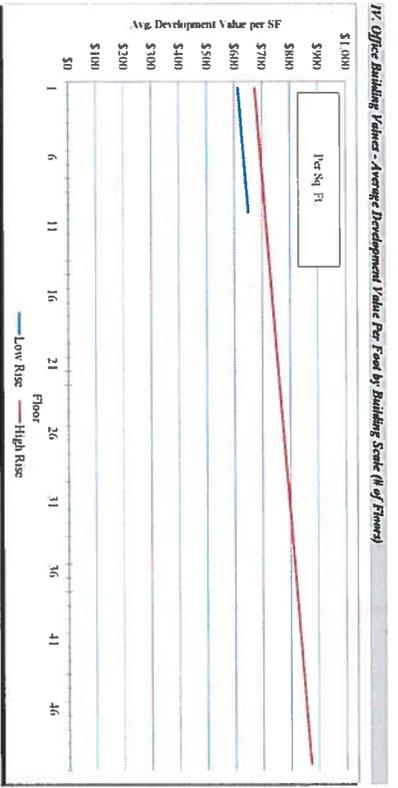
Projects Color-Coded by Location:
 Black = TCG
 Blue = Financial District
 Red = South Financial District

EXHIBIT IV-4
 VALUE PROJECTION - OFFICE
 TRANSBAY
 FEBRUARY 2013



II. Office Building Values - Base Rents

	Low Rise/Ordium	High Rise
Base Positioning	\$50	\$55
Vacancy Loss	\$45	\$50
OpEx	\$11	\$12
NOI	\$14	\$17
Cap Rate	5.5%	5.5%
Value Per Square Foot	\$614	\$675



III. Hypothetical Building Metrics - Office Values

Floor	Low Rise			High Rise		
	Prem. (%)	Rent (\$/SF)	Per SF (\$/SF)	Prem. (%)	Rent (\$/SF)	Per Unit (\$/SF)
1	0%	\$50	\$614	0%	\$55	\$675
2	1%	\$51	\$621	1%	\$56	\$683
3	2%	\$52	\$628	2%	\$57	\$691
4	3%	\$53	\$635	3%	\$58	\$699
5	4%	\$54	\$642	4%	\$59	\$707
6	5%	\$55	\$650	5%	\$60	\$716
7	6%	\$56	\$658	6%	\$61	\$724
8	7%	\$57	\$666	7%	\$62	\$732
9	8%	\$58	\$673	8%	\$63	\$740
10	9%	\$59	\$680	9%	\$64	\$748
11	10%	\$60	\$687	10%	\$65	\$756
12	11%	\$61	\$694	11%	\$66	\$764
13	12%	\$62	\$701	12%	\$67	\$772
14	13%	\$63	\$708	13%	\$68	\$780
15	14%	\$64	\$715	14%	\$69	\$788
16	15%	\$65	\$722	15%	\$70	\$796
17	16%	\$66	\$729	16%	\$71	\$804
18	17%	\$67	\$736	17%	\$72	\$812
19	18%	\$68	\$743	18%	\$73	\$820
20	19%	\$69	\$750	19%	\$74	\$828
21	20%	\$70	\$757	20%	\$75	\$837
22	21%	\$71	\$764	21%	\$76	\$845
23	22%	\$72	\$771	22%	\$77	\$853
24	23%	\$73	\$778	23%	\$78	\$861
25	24%	\$74	\$785	24%	\$79	\$869
26	25%	\$75	\$792	25%	\$80	\$877
27	26%	\$76	\$799	26%	\$81	\$885
28	27%	\$77	\$806	27%	\$82	\$893
29	28%	\$78	\$813	28%	\$83	\$901
30	29%	\$79	\$820	29%	\$84	\$909
31	30%	\$80	\$827	30%	\$85	\$917
32	31%	\$81	\$834	31%	\$86	\$925
33	32%	\$82	\$841	32%	\$87	\$933
34	33%	\$83	\$848	33%	\$88	\$941
35	34%	\$84	\$855	34%	\$89	\$949
36	35%	\$85	\$862	35%	\$90	\$957
37	36%	\$86	\$869	36%	\$91	\$965
38	37%	\$87	\$876	37%	\$92	\$973
39	38%	\$88	\$883	38%	\$93	\$981
40	39%	\$89	\$890	39%	\$94	\$989
41	40%	\$90	\$897	40%	\$95	\$997
42	41%	\$91	\$904	41%	\$96	\$1,005
43	42%	\$92	\$911	42%	\$97	\$1,013
44	43%	\$93	\$918	43%	\$98	\$1,021
45	44%	\$94	\$925	44%	\$99	\$1,029
46	45%	\$95	\$932	45%	\$100	\$1,037
47	46%	\$96	\$939	46%	\$101	\$1,045
48	47%	\$97	\$946	47%	\$102	\$1,053
49	48%	\$98	\$953	48%	\$103	\$1,061
50	49%	\$99	\$960	49%	\$104	\$1,069
Avg	12.2%	\$53	\$647	12.2%	\$71	\$873

IV. Office Building Values - Average Development Value Per Foot by Building Scale (ft of Floor)

Floor	Low Rise		High Rise	
	Prem. (%)	Value (\$/SF)	Prem. (%)	Value (\$/SF)
1	0%	\$50	0%	\$55
6	1%	\$51	1%	\$56
11	2%	\$52	2%	\$57
16	3%	\$53	3%	\$58
21	4%	\$54	4%	\$59
26	5%	\$55	5%	\$60
31	6%	\$56	6%	\$61
36	7%	\$57	7%	\$62
41	8%	\$58	8%	\$63
46	9%	\$59	9%	\$64
Avg	12.2%	\$614	12.2%	\$675

(1) Assumes equal floor plate

THE CONCORD GROUP

V. RETAIL

EXHIBIT V-1
 RETAIL TRADE AREA DEFINITION
 SAN FRANCISCO, CALIFORNIA
 MARCH 2013

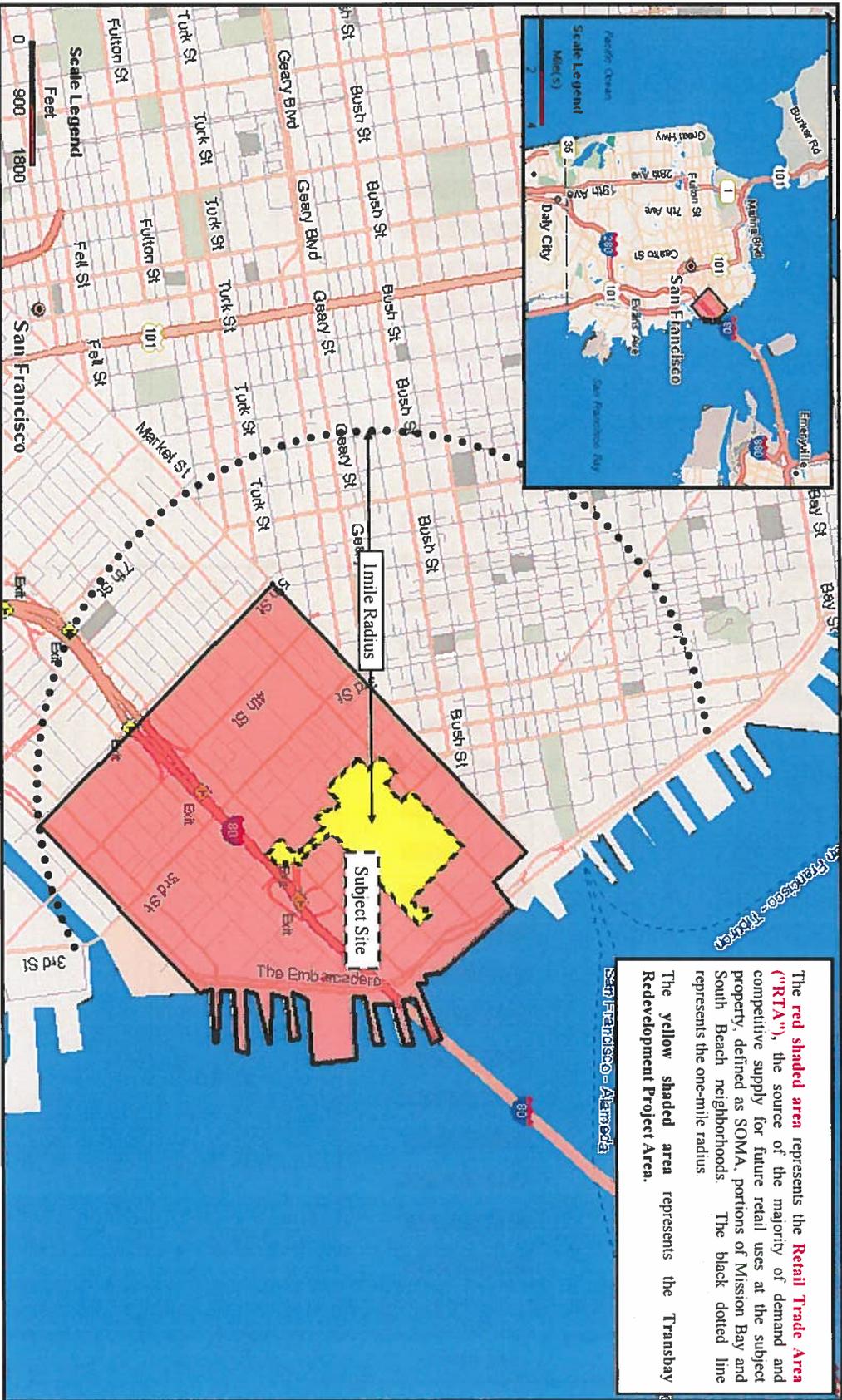
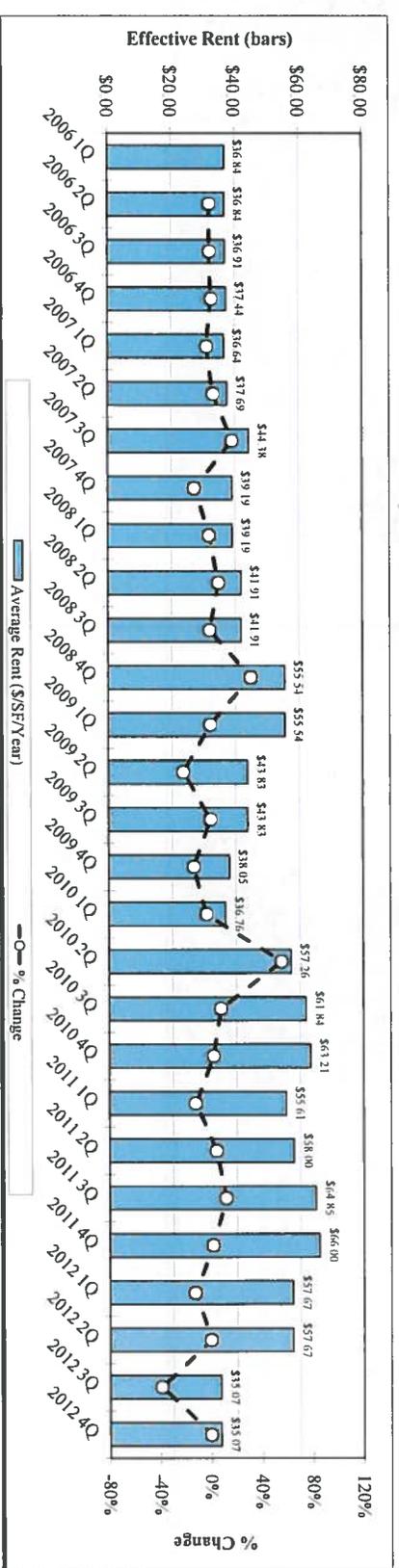
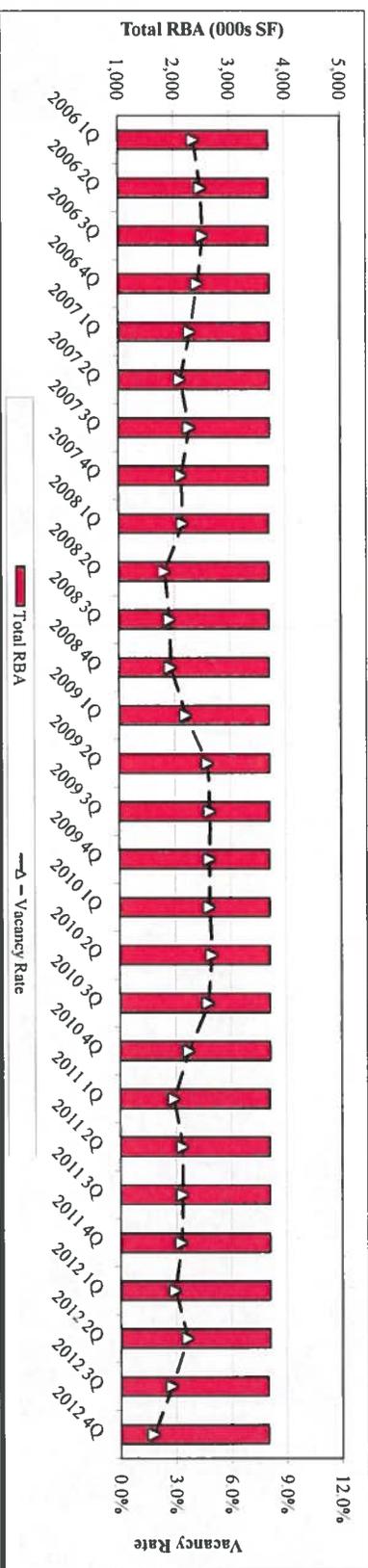


EXHIBIT V-2
RETAIL MACRO TRENDS
RETAIL TRADE AREA
2006 THROUGH 2016

	2006	2007	2008	2009	2010	2011	2012	QTD	2013	2014	2015	2016
Retail Trade Area												
Total Inventory (000s SF) (1)	3,714	3,723	3,709	3,710	3,710	3,698	3,683	3,668	3,668	3,668	3,668	3,668
Quarterly Growth (000s SF)		10	-15	1	0	-12	-15	-15	-15	0	0	0
% Growth		0.3%	-0.4%	0.0%	0.0%	-0.3%	-0.4%	-0.4%	-0.4%	0.0%	0.0%	0.0%
Vacancy Rate	4.5%	3.6%	2.9%	4.7%	4.7%	3.2%	2.8%	0.8%	0.7%	0.4%	0.1%	0.0%
Total Ave Rent (NNN) % Change	\$37.09	\$37.86	\$41.55	\$47.81	\$57.64	\$59.97	\$41.36	\$35.07	--	--	--	--



(1) Rentable Building Area
 Source: CoStar

EXHIBIT V-3
 SELECTED COMPETITIVE RETAIL SPACES
 RETAIL TRADE AREA
 MARCH 2013

Name	Location	Type	Year Built	GLA	Vacancy Rate	SF	Avail Apace	Lease Rate (\$/sf/yr)
Community Center								
397 5th st	397 5th St	Restaurant	1966	1,161	0.0%	0	1,161	\$87.84
188 Spear St	188 Spear St	Office with street-level Retail	2012	218,556	12.9%	28,194	28,186	\$55.00
The Pelton Building	132-142 2nd St	Office with street-level Retail	1907	34,000	16.6%	5,630	5,848	\$55.00
182-198 2nd St	182-198 2nd St	Office with street-level Retail	1909	36,135	28.2%	10,201	10,202	\$50.00
26-34 3rd St	26-34 3rd St	Office with street-level Retail	1910	37,200	7.5%	2,786	2,787	\$50.00
581-585 Market St	581-585 Market St	Storefront Retail/Office	1907	27,094	25.5%	6,901	6,900	\$45.00
571 Howard St	571 Howard St	Office with street-level Retail	1924	5,000	0.0%	0	2,000	\$45.00
One Rincon	101 Spear St	Office with street-level Retail	1940	280,000	9.7%	27,104	27,115	\$40.00
473 Bryant St	473 Bryant St	Storefront Retail/Office	1906	2,750	100.0%	2,750	2,750	\$36.00
50 Fremont St	50 Fremont St	Office with street-level Retail	1983	817,412	3.3%	26,566	7,297	\$35.03
Borel Bldg II	180-182 Howard St	Office with street-level Retail	1986	205,926	6.3%	13,056	13,048	\$32.04
The Shops @ Yerba Buena	833 Mission St	General Retail (Ship Center)	1978	24,000	18.4%	4,411	6,035	\$32.04
611-615 Mission St	611-615 Mission St	Office with street-level Retail	1907	39,900	0.0%	0	3,760	\$32.04
Foundry Square I	400 Howard St	Office with street-level Retail	2008	334,230	0.6%	2,039	2,025	\$32.04
725-727 Folsom St	725-727 Folsom St	General Retail	1990	35,286	19.5%	6,870	6,870	\$32.00
493-495 3rd St	493-495 3rd St	General Retail	1907	5,250	40.5%	2,125	2,125	\$30.00
711-713 Market St	711-713 Market St	General Retail	1908	10,000	50.0%	5,000	5,000	\$28.80
326 1st St	326 1st St	Storefront	1967	4,000	72.0%	2,880	2,880	\$28.80
Total:				2,117,900		146,513	135,989	
Average/Weighted Average (1):				117,661	6.9%	8,140	7,555	\$42.43

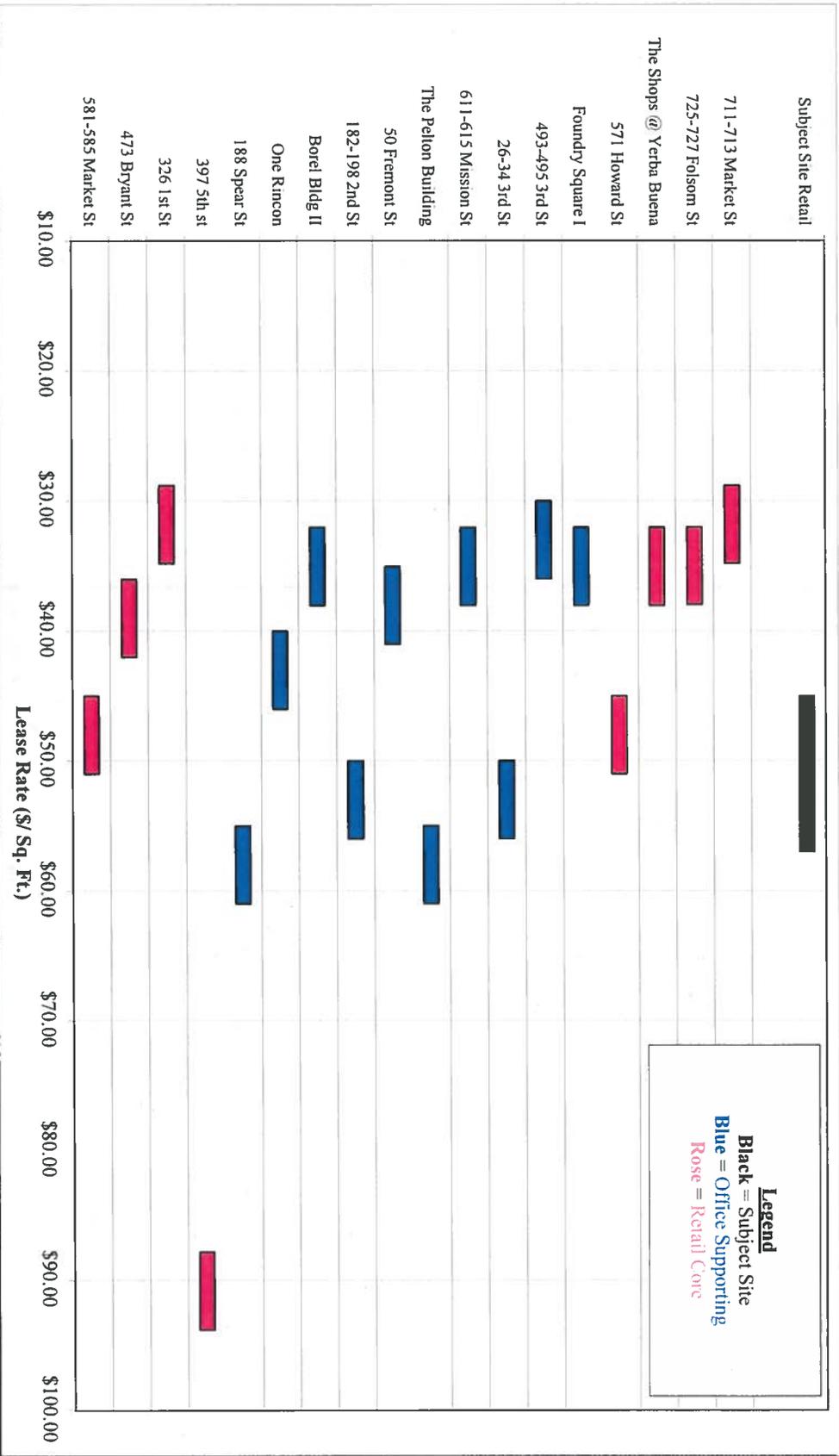
(1) Vacancy Rate weighted by GLA, average weighted rent weighted by available space

EXHIBIT V-4
 CURRENT RETAIL INVENTORY LOCATIONS
 SAN FRANCISCO, CALIFORNIA
 MARCH 2013



EXHIBIT V-5

LEASE RATES OF CURRENT RETAIL INVENTORY
 RETAIL TRADE AREA
 MARCH 2013



Note: All lease rates are NNN and exclusive of NNN expenses

EXHIBIT V-6
 VALUE PROJECTION - GROUND FLOOR RETAIL
 TRANSBAY
 FEBRUARY 2013

I. Retail Positioning

<i>Ground Floor Retail</i>		Base Rent
	_____	Per Foot/Year
Average Per Foot		\$45.00

II. Retail Building Values - Base Rents

		Ground Floor Retail
Base Positioning		\$45
Average Annual Rent	7%	\$45
Vacancy Loss		\$42
OpEx		\$4
NOI	10%	\$38
Cap Rate		6.5%
Cap Value		\$579
Value Per Square Foot		\$579

VI. HOTEL

EXHIBIT VI-1
 HOTEL MARKET AREA DELINEATION
 SAN FRANCISCO, CALIFORNIA
 APRIL 2013

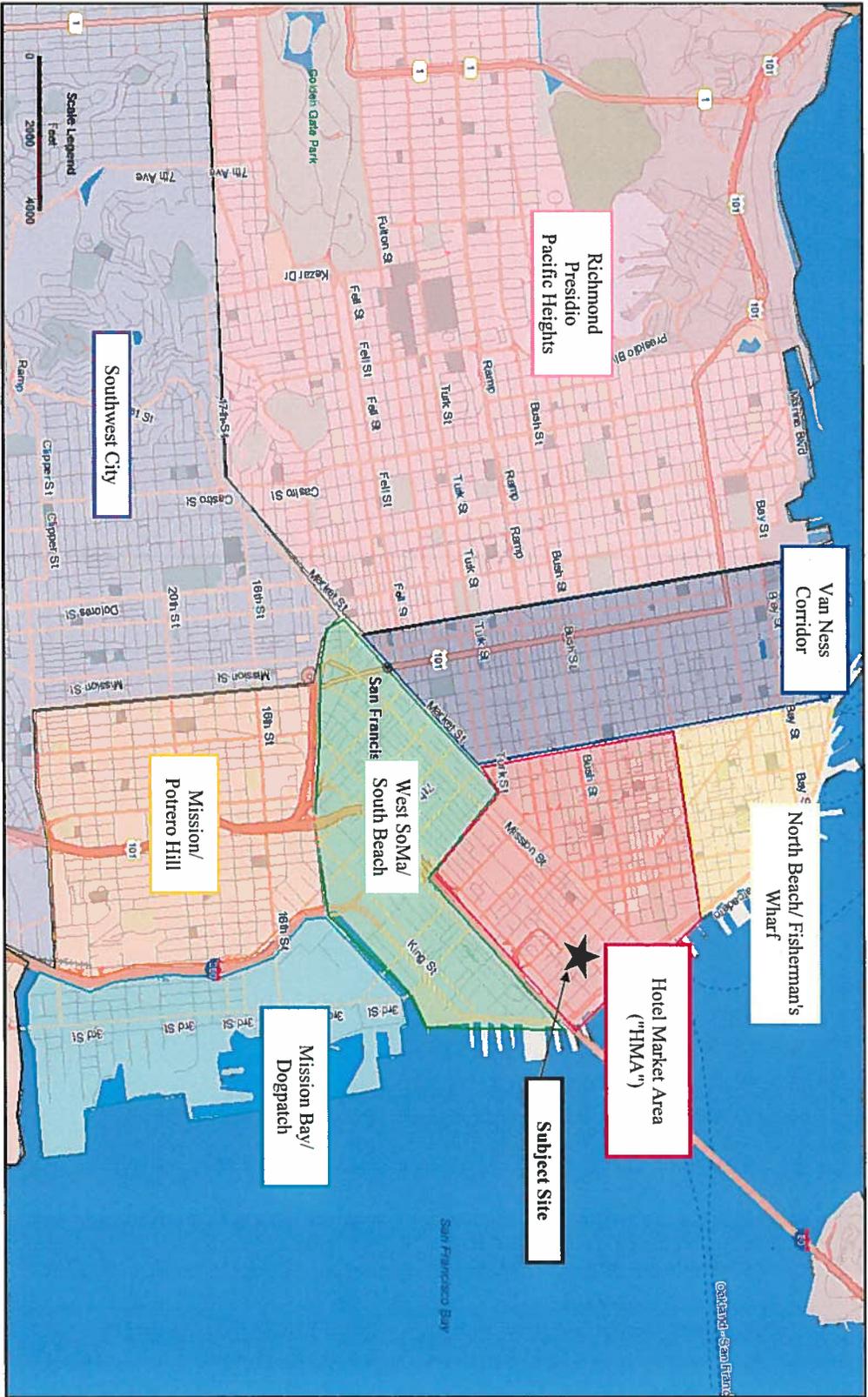
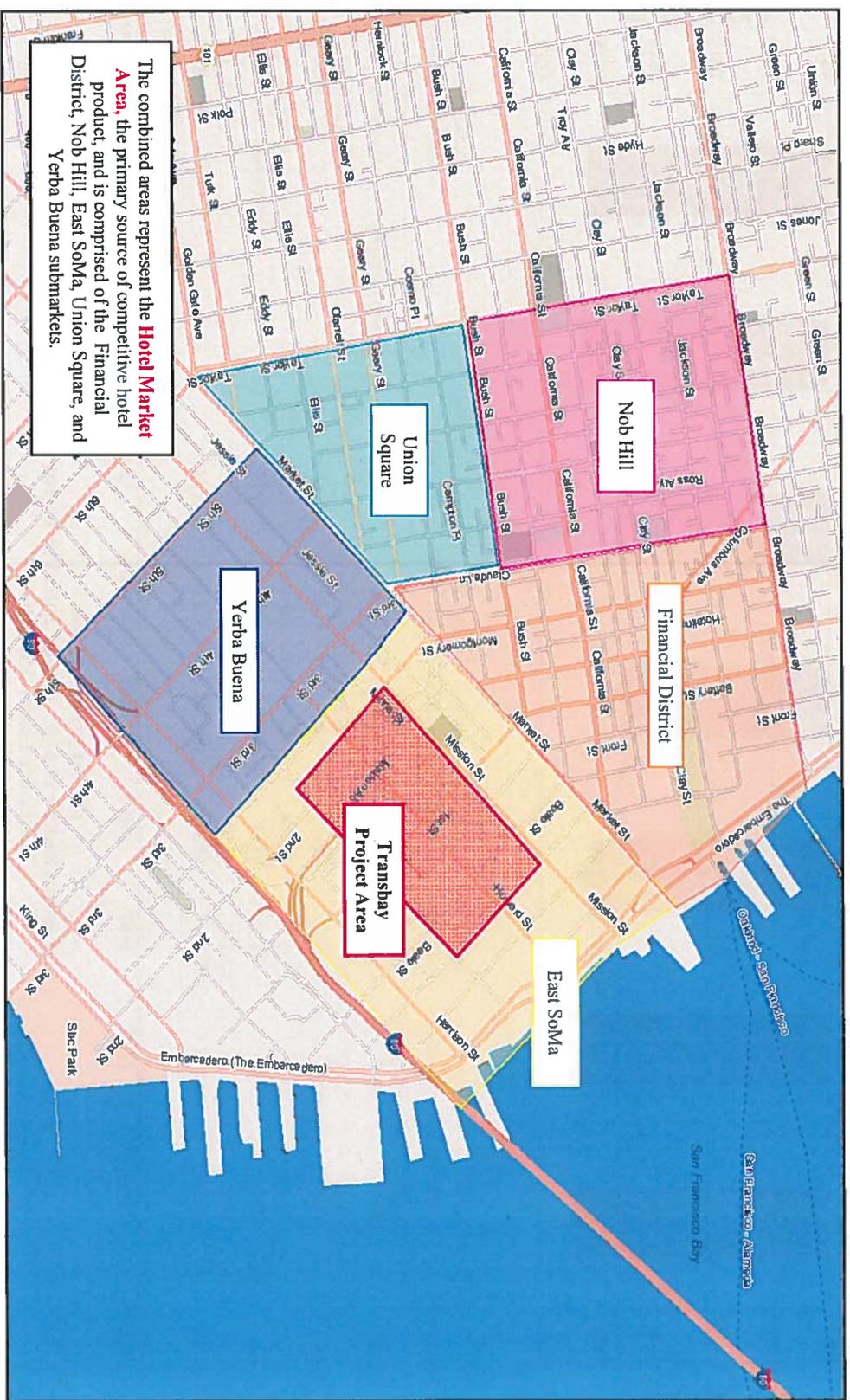


EXHIBIT VI-1
 HOTEL MARKET AREA DELINEATION
 SAN FRANCISCO, CALIFORNIA
 APRIL 2013

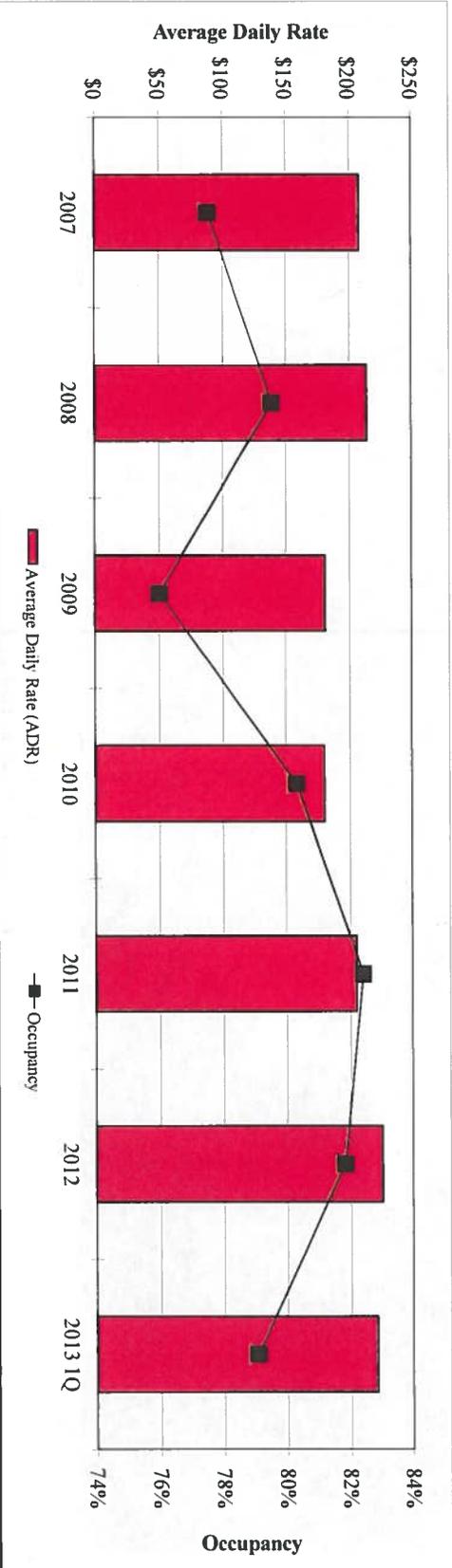


The combined areas represent the **Hotel Market Area**, the primary source of competitive hotel product, and is comprised of the Financial District, Nob Hill, East SoMa, Union Square, and Yerba Buena submarkets.

EXHIBIT VI-2

MACRO MARKET TRENDS
HOTEL MARKET AREA, CENTRAL SAN FRANCISCO
2007 THROUGH 1Q 2013

Variable	2007	2008	2009	2010	2011	2012	Average	2013 1Q
<i>FIDI/Union Square/Soma - Upscale Hotels (1)</i>								
Total Rooms	9,875	10,575	10,709	11,319	11,604	11,430	10,919	11,323
Y/Y % Change	--	7.1%	1.3%	5.7%	2.5%	-1.5%	3.0%	
Average Daily Rate (ADR)	\$209	\$215	\$181	\$181	\$205	\$226	\$203	\$222
Y/Y % Change	--	3.0%	-15.6%	-0.4%	13.7%	9.9%	2.1%	
Occupancy	78%	80%	76%	80%	82%	82%	80%	79%
Nominal Change	--	2.0%	-3.5%	4.3%	2.1%	-0.6%	0.9%	
Average Revenue per Avail Room (RevPAR)	\$162	\$171	\$138	\$145	\$169	\$185	\$162	\$175
Y/Y % Change	--	5.6%	-19.3%	5.2%	16.7%	9.2%	3.5%	
Total Revenue (000's)	\$582,978	\$659,460	\$538,793	\$599,311	\$717,091	\$770,959	\$644,765	\$667,361
Y/Y % Change	--	13.1%	-18.3%	11.2%	19.7%	7.5%	6.6%	



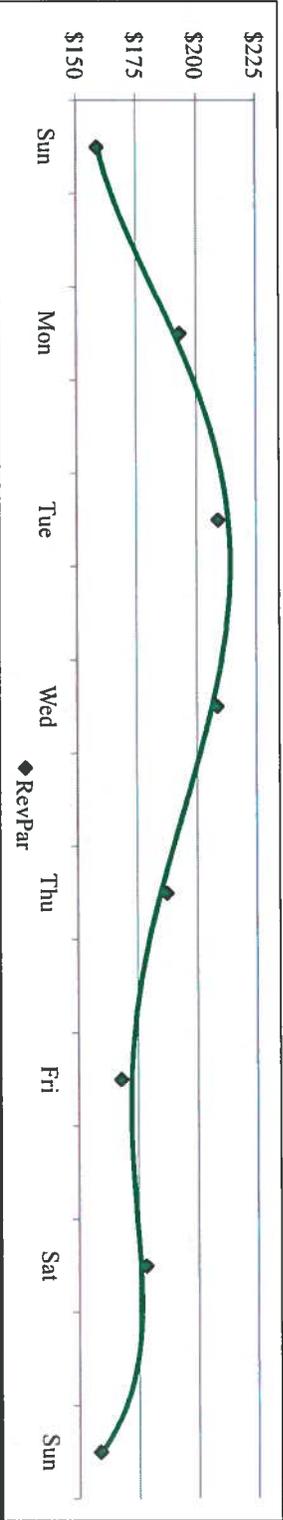
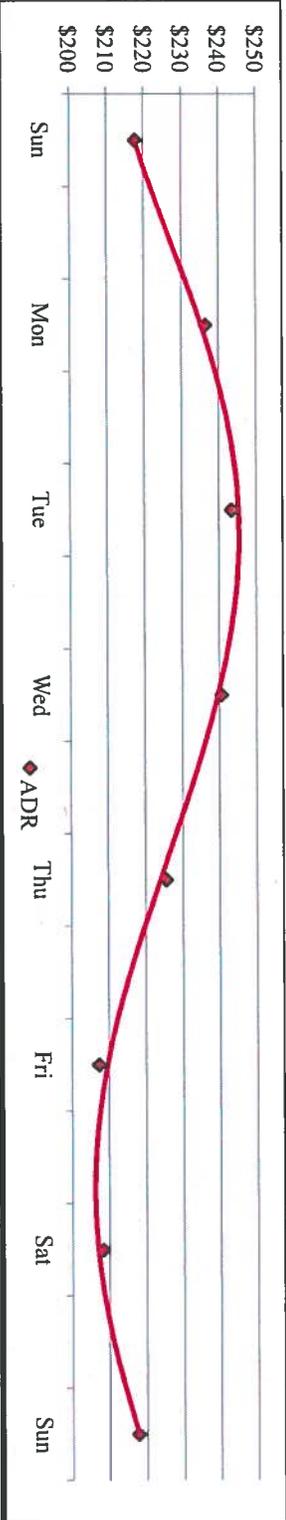
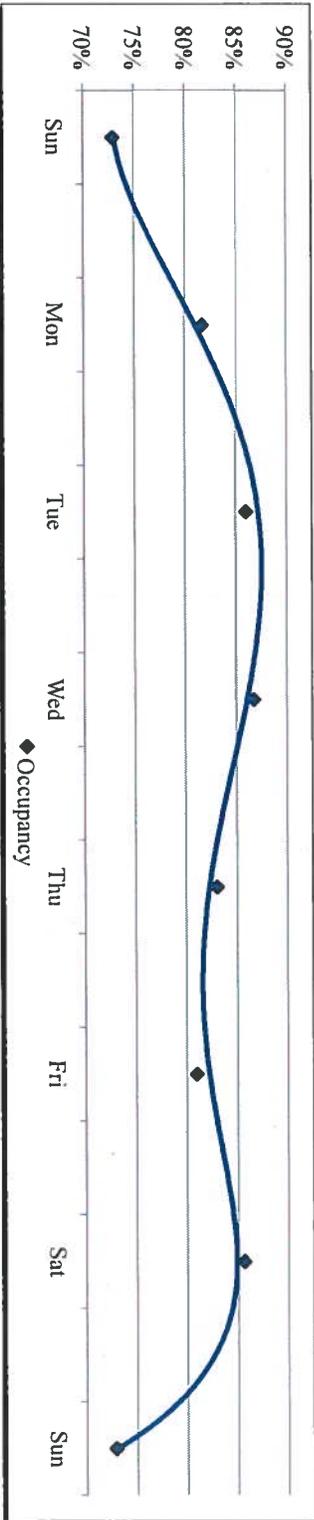
(1) Data represents set up of Upscale and Luxury hotels in the Central SF Hotel Market Area as categorized by Smith Travel Research

Source: STR

EXHIBIT VI-2

MACRO MARKET TRENDS
HOTEL MARKET AREA, CENTRAL SAN FRANCISCO
2007 THROUGH 1Q 2013

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Occupancy	73%	82%	86%	87%	83%	81%	86%
ADR	\$217.65	\$236.49	\$243.30	\$240.57	\$225.50	\$207.27	\$208.24
RevPar	\$158.69	\$193.14	\$209.12	\$208.59	\$187.24	\$167.80	\$178.19



Source: STR

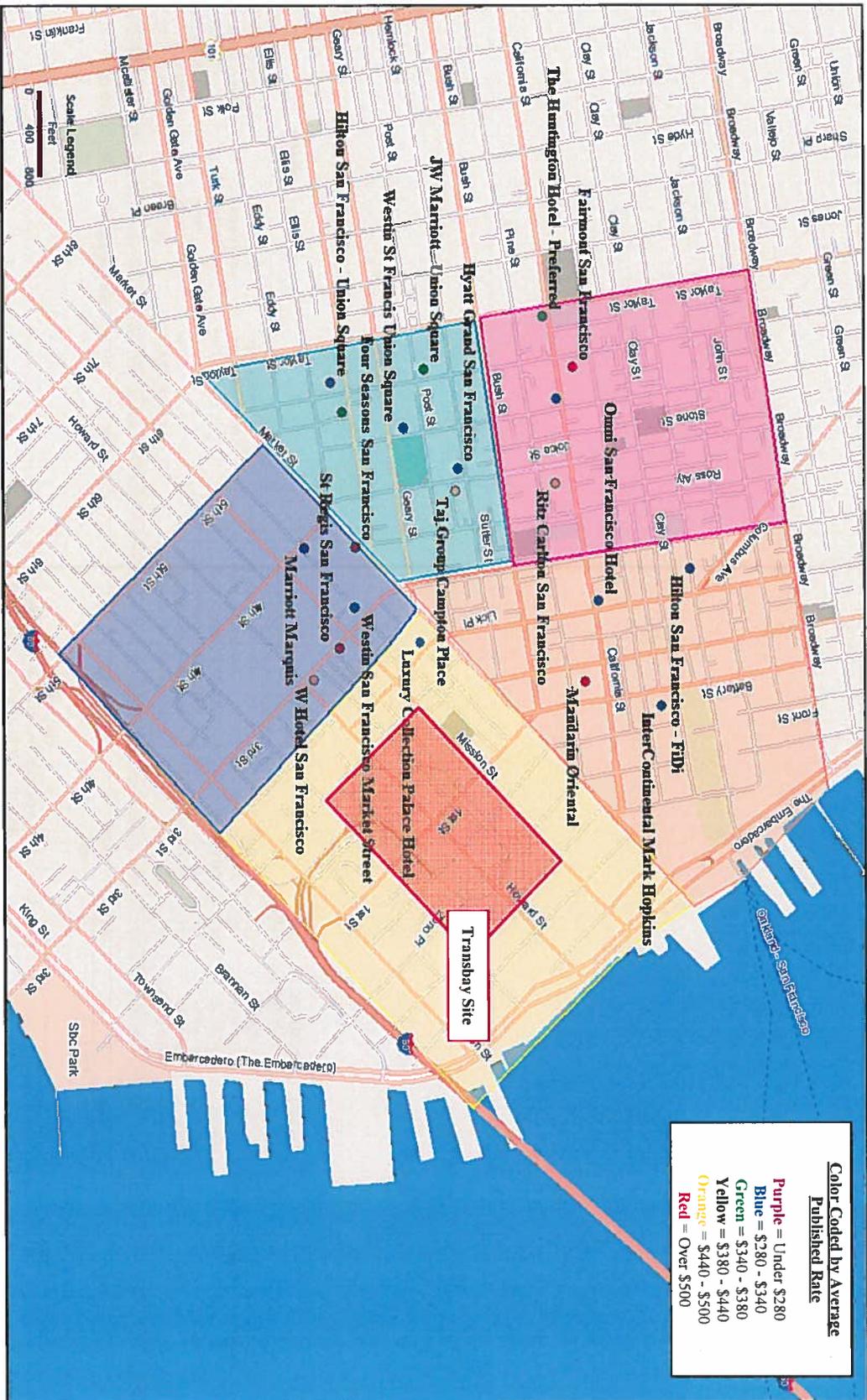
EXHIBIT VI-3

CURRENT HOTEL INVENTORY
HOTEL MARKET AREA
APRIL 2013

Hotel/Chain	Location	Neighborhood	Number of Rooms	Open Date	Occupancy		Best Avail Rate		APR (1)	Mix of Occupants		
					Weekday	Weekend	Low	High		Bus.	Leis.	
Luxury												
Four Seasons San Francisco	757 Market St	SOMA	277	Oct-01	97%	60%	\$475	\$695	\$592	70%	30%	
St Regis San Francisco	125 3rd St	SOMA	260	Nov-05	95%	85%	\$475	\$625	\$557	60%	40%	
Mandarin Oriental	222 Sansome St	FIDI	158	May-87	NA	NA	\$395	\$595	\$534	70%	30%	
Fairmont San Francisco	950 Mason St	Nob Hill	591	Apr-07	85%	100%	\$359	\$669	\$504	50%	50%	
Ritz Carlton San Francisco	600 Stockton St	FIDI	336	Apr-91	NA	NA	\$395	\$595	\$498	50%	50%	
W Hotel San Francisco	181 3rd St	SOMA	410	May-99	90%	90%	\$319	\$689	\$442	70%	30%	
The Huntington Hotel - Preferred	1075 California St	Nob Hill	135	Jun-47	85%	95%	\$259	\$410	\$361	60%	40%	
Luxury Collection Palace Hotel	2 New Montgomery St	SOMA	553	Jan-00	87%	78%	\$270	\$389	\$333	50%	50%	
InterContinental Mark Hopkins	1 Nob Hill	Nob Hill	380	Jun-26	96%	94%	\$249	\$369	\$293	65%	35%	
	Total/Average:		3,100	1962	91%	86%	\$346	\$560	\$446	59%	41%	
Upscale												
Taj Group Campton Place	340 Stockton St	Union Square	110	Jun-83	NA	NA	\$300	\$675	\$459	60%	40%	
Nikko Hotel San Francisco	222 Mason St	Union Square	532	Oct-87	NA	NA	\$219	\$489	\$345	65%	35%	
JW Marriott - Union Square	500 Post St	Union Square	337	Sep-87	90%	95%	\$269	\$404	\$343	60%	40%	
Omni San Francisco Hotel	500 California St	FIDI	362	Feb-02	99%	93%	\$245	\$399	\$336	60%	40%	
Westin San Francisco Market Street	50 3rd St	SOMA	676	Apr-83	NA	NA	\$219	\$369	\$322	80%	20%	
Hyatt Grand San Francisco	345 Stockton St	Union Square	685	Jan-73	90%	90%	\$209	\$469	\$319	80%	20%	
Westin St Francis Union Square	335 Powell St	Union Square	1,195	Mar-04	97%	99%	\$189	\$399	\$301	80%	20%	
Hilton San Francisco - FIDI	750 Kearny St	FIDI	544	Nov-70	85%	80%	\$269	\$389	\$297	75%	25%	
Renaissance Stanford Court Hotel	905 California St	Nob Hill	393	Jun-73	90%	90%	\$189	\$379	\$283	40%	60%	
Hilton San Francisco - Union Square	333 Farrell St	Union Square	1,908	Aug-64	90%	85%	\$159	\$419	\$265	80%	20%	
Marriott Marquis	55 4th St	SOMA	1,498	Oct-89	95%	95%	\$179	\$329	\$250	70%	30%	
	Total/Average:		8,240	1974	92%	91%	\$199	\$402	\$294	73%	27%	
	Luxury & Upscale Total/Average:		11,340	1969	91%	89%	\$239	\$446	\$335	69%	31%	

(1) Average Published Rate

EXHIBIT VI-4
 MAP OF COMPARABLE HOTELS
 HOTEL MARKET AREA
 APRIL 2013



Color Coded by Average Published Rate

Purple	= Under \$280
Blue	= \$280 - \$340
Green	= \$340 - \$380
Yellow	= \$380 - \$440
Orange	= \$440 - \$500
Red	= Over \$500

EXHIBIT VI-5
BUILDING TRANSACTIONS - HOTEL
SAN FRANCISCO, CALIFORNIA
APRIL, 2013

Property	Neighborhood	Seller	Buyer	Sale Date	Rooms	Price \$	Per Key	Notes
Sales Camps - Hotels								
Fairmont San Francisco	Nob Hill	Martiz, Wolff & Co.	Woodridge Capital Partners	May-12	591	\$200,000,000	\$338,409	
Hotel Milano	SoMa	--	Pebblebrook Hotel Trust	Apr-12	108	30,000,000	277,778	
Hotel Palomar	SoMa	--	Pebblebrook Hotel Trust	Oct-12	196	58,000,000	295,918	
Hotel Rex	Union Square	--	DiamondRock Hospitality	Nov-12	94	29,500,000	313,830	
Parc 55 Wychdan	Union Square	Rockpoint Group	Blackstone Group	Mar-12	1,015	235,000,000	231,527	Distress Sale - Rockpoint defaulted
Hotel Frank	Union Square	AEW Capital	Offshore Investor	Oct-12	153	32,000,000	209,150	
Total:					2,157	\$584,500,000		
Average:					360	\$97,416,667	\$277,769	
6 Hotel Sales								

EXHIBIT IV-6

PRODUCT POSITIONING - HOTEL
HOTEL MARKET AREA: SAN FRANCISCO, CALIFORNIA
APRIL 2013

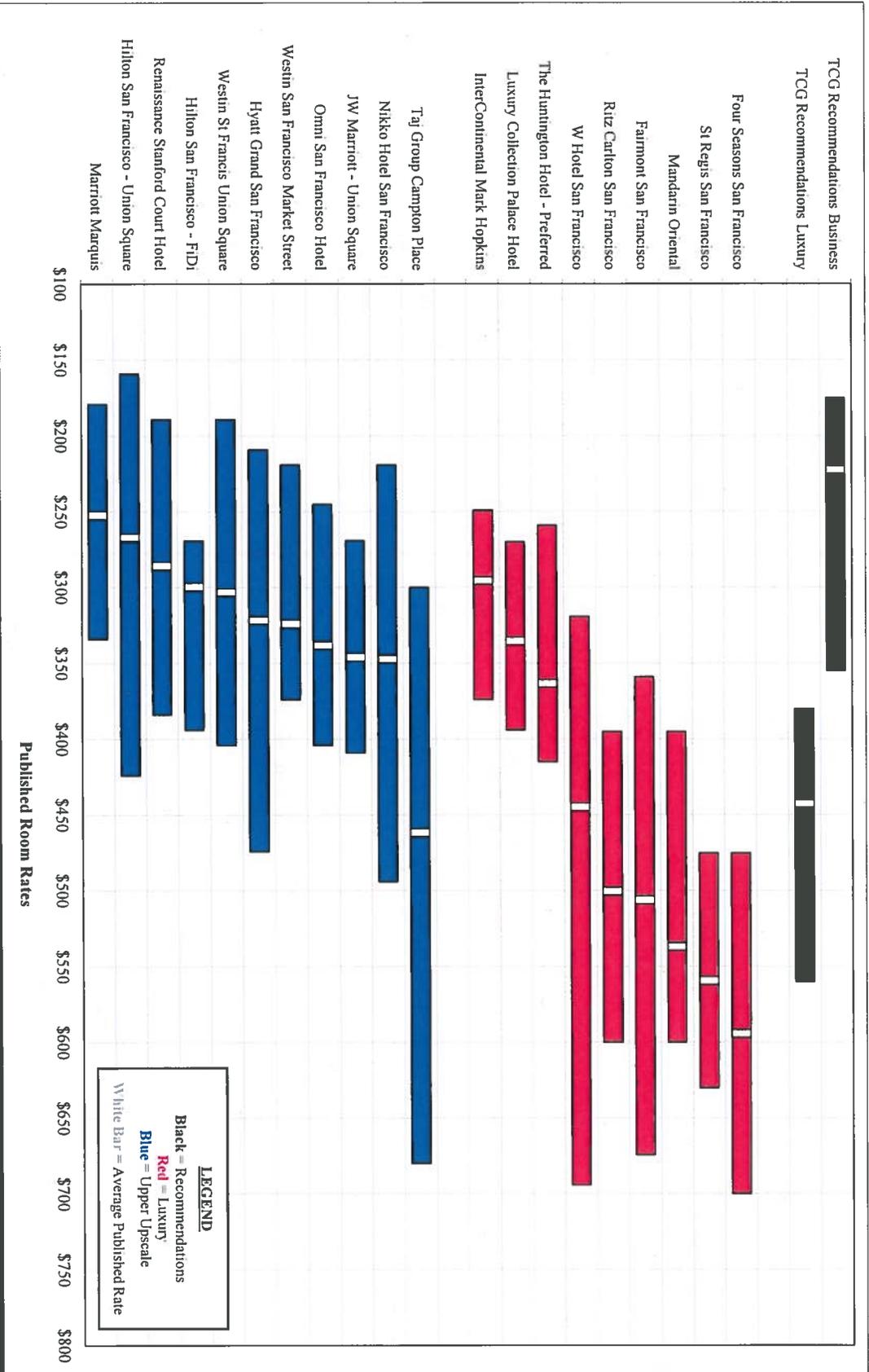


EXHIBIT VI-7
 VALUE PROJECTION - HOTEL
 TRANSBAY
 FEBRUARY 2013

I. Hotel Positioning

	Business Hotel	Top Flag Luxury Hotel
Average Daily Rate	\$220	\$440
Per Room per Night	\$220	\$440

II. Hotel Values - Blended Rates

	Business Hotel	Top Flag Luxury Hotel
Base Positioning	\$220	\$440
Vacancy Loss	30% \$154	\$308
Other Revenue	5% \$8	\$15
Total Revenue	\$162	\$323
OpEx	55% \$89	\$178
NOI per Key	\$65	\$130
Annual NOI per Key	\$23,749	\$47,497
Cap Rate	7.5%	6.5%
Cap Value per Key	\$316,650	\$730,730
Value per SF	\$528	\$1,218