

375 BEALE STREET

OFFICE LEASE

BAY AREA HEADQUARTERS AUTHORITY

as Landlord,

and

ASSOCIATION OF BAY AREA GOVERNMENTS

as Tenant

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EXHIBITS

- A OUTLINE OF PREMISES
- A-1 LEGAL DESCRIPTION OF REAL PROPERTY
- B COMMON EXPENSES DEFINITION
- C RESERVED
- D RULES AND REGULATIONS
- E FORM OF PURCHASE AND SALE AGREEMENT

SUMMARY OF BASIC LEASE INFORMATION

This Summary of Basic Lease Information ("**Summary**") is hereby incorporated into and made a part of the attached Office Lease. Each reference in the Office Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Office Lease.

TERMS OF LEASE

(References are to the Office Lease)

DESCRIPTION

- | | | |
|----|--|---|
| 1. | Effective Date: | May 19, 2016 |
| 2. | Landlord: | BAY AREA HEADQUARTERS AUTHORITY , a joint powers authority established pursuant to the California Joint Exercise of Powers Act |
| 3. | Address of Landlord
(<u>Section 24.16</u>): | Bay Area Headquarters Authority
101 8 th Street
Oakland, CA 94607
Attn: Executive Director
(Prior to Lease Commencement Date)

and

Bay Area Headquarters Authority
375 Beale Street, Suite 800
San Francisco, California 94105
Attn: Attn: Executive Director
(After Lease Commencement Date) |
| 4. | Tenant: | ASSOCIATION OF BAY AREA GOVERNMENTS ,
a joint powers authority established pursuant to the California Joint Exercise of Powers Act |
| 5. | Address of Tenant
(<u>Section 24.16</u>): | Association of Bay Area Governments
101 8 th Street
Oakland, CA 94607
Attn: Executive Director
(Prior to Lease Commencement Date) |

TERMS OF LEASE

(References are to the Office Lease)

DESCRIPTION

and

Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, California 94105
Attn: Executive Director
(After Lease Commencement Date)

6. Premises (Article 1):

6.1 Premises:

Approximately 14,400 rentable square feet of office space located on the seventh floor, and approximately 2,000 rentable square feet of office space located on the eighth floor, of the Building (as defined below), as shown in Exhibit A.

6.2 Building:

The Premises are located in the "Building" whose address is 375 Beale Street, San Francisco, CA 94105, which Building is divided into "Agency Space" (including the Premises) and "Commercial Space".

7. Term (Article 2).

7.1 Lease Term:

Two (2) years.

7.2 Lease Commencement Date

May 23, 2016

7.3 Lease Expiration Date:

The earliest to occur of: (a) May 31, 2018, (b) the date of Tenant's purchase of a condominium unit pursuant to Article 23, or (c) the date when Tenant has failed to consummate a condominium unit pursuant to Article 23 within ninety (90) days after all conditions precedent to such purchase that are within Landlord's control have been met or waived.

7.4 Amendment to Lease:

Landlord and Tenant may modify the Lease Commencement Date and Lease Expiration Date in an amendment to Lease.

8. Reserved

TERMS OF LEASE

(References are to the Office Lease)

DESCRIPTION

9. Tenant's Share
(Article 4):

The percentage which the usable square feet within the Premises bears to the total usable square feet within the Agency Space or, with respect to Jointly Used Space Expenses, such percentage as adjusted for usage; provided, however, that Tenant's Share of Common Area Expenses shall not exceed \$314,000 per year, adjusted annually for inflation, commencing with the Lease Commencement Date, as measured by the CPI for San Francisco – Oakland – All Urban Consumers; provided that this cap shall be applied on a prorated basis for Common Area Expenses collected for less than a one-year period. (See Article 4 of the Office Lease).

10. Parking (Article 22):

Parking for Tenant's Board members in attendance at its public meetings and the number of passenger car parking spaces for daily use determined in accordance with Article 22.

OFFICE LEASE

This Office Lease, which includes the preceding Summary and the exhibits attached hereto and incorporated herein by this reference (the Office Lease, Summary and the exhibits to be known sometimes collectively hereafter as the "Lease"), dated as of the date set forth in Section 1 of the Summary, is made by and between the BAY AREA HEADQUARTERS AUTHORITY ("Landlord"), and the ASSOCIATION OF BAY AREA GOVERNMENTS ("Tenant").

ARTICLE 1

BUILDING AND PREMISES

1.1 Building and Premises. Upon and subject to the terms, covenants and conditions hereinafter set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 6.1 of the Summary (the "Premises"), which Premises are located within the Agency Space in the Building, each as defined in Section 6.2 of the Summary, situated on the Real Property more particularly described on Exhibit A-1 attached hereto (the "Real Property"). The outline of the floor plan of the Premises is set forth in Exhibit A attached hereto. The Premises shall be inclusive of the furnishings and telephone and computer systems installed in the Premises as of the Commencement Date and shall also include the right to use, in common with other occupants of the Agency Space, the library, meeting rooms, mail room, server rooms and other areas of the Agency Space designated as "Jointly Used Space" and the common entry, corridors, hallways, stairwells, elevators, restrooms and other areas designated as "Common Area". Use of the Jointly Used Space and the Common Area will be subject to the Rules and Regulations attached hereto as Exhibit D and such other rules and regulations as Landlord shall promulgate from time to time, which rules and regulations shall be applied equally to all occupants of the Agency Space.

1.2 Condition of Premises. Except as expressly set forth in this Lease or in the Purchase and Sale Agreement, if any, executed by Landlord and Tenant pursuant to Article 23, Landlord shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises, and Tenant shall accept the Premises in its "As Is" condition on the Lease Commencement Date. Landlord agrees to cooperate with Tenant to enforce any warranties pertaining to the personal property installed in the Premises as of the Commencement Date.

1.3 Square Footage. If, upon finalization of the condominium map for the Agency Space, the rentable square footage or usable square footage, as applicable, of the condominium unit to be sold to ABAG, as shown on such condominium map, is different than the rentable square footage or usable square footage, as applicable, set forth in Section 6.1 of the Summary, rent that is based on rentable area shall be recalculated in accordance with that determination. On the recalculation of rent as provided in this Section 1.3, the parties shall execute an amendment to this Lease stating the recalculated rent. Execution of that amendment shall not be a condition precedent to the effectiveness of the recalculated rent.

ARTICLE 2

LEASE TERM

The terms and provisions of this Lease shall be effective as of the date of this Lease except for the provisions of this Lease relating to the payment of Rent. The term of this Lease (the "Lease Term") shall be as set forth in Section 7.1 of the Summary and shall be measured from the date Tenant commences operations in the Premises (the "Lease Commencement Date") as provided in Section 7.2 of the Summary, and shall terminate on the date (the "Lease Expiration Date") set forth in Section 7.4 of the Summary, unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term, provided that the last Lease Year shall end on the Lease Expiration Date. Tenant shall use commercially reasonable efforts to commence business operations in the Premises as soon as possible following issuance by the City & County of San Francisco of a certificate of occupancy for the Premises, subject to Tenant's moving date and completion of related activities, all as agreed upon by Tenant and Landlord. If Landlord does not deliver possession of the Premises to Tenant on or before the anticipated Lease Commencement Date (as set forth in Section 7.2 of the Summary), Landlord shall not be subject to any liability nor shall the validity of this Lease nor the obligations of Tenant hereunder be affected, except such obligations of Tenant that are pendent on its occupancy of the Premises. In the event that the Lease Commencement Date is a date which is other than the anticipated Lease Commencement Date set forth in Section 7.2 of the Summary, within a reasonable period of time after the date Tenant takes possession of the Premises Landlord shall deliver to Tenant an amendment to lease setting forth the Lease Commencement Date and the Lease Expiration Date, and Tenant shall execute and return such amendment to Landlord within five (5) days after Tenant's receipt thereof.

ARTICLE 3

NO BASE RENT

- 3.1 No Base Rent. No base rental shall be payable under this Lease.

ARTICLE 4

ADDITIONAL RENT

4.1 Additional Rent. From and after the Lease Commencement Date, Tenant shall pay as additional rent the "Operating Expenses" (as such term is defined below). Such additional rent, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease (including, without limitation, pursuant to Article 6), shall be hereinafter collectively referred to as the "Additional Rent." The Base Rent and Additional Rent are herein collectively referred to as the "Rent." All amounts due under this Article 4 as Additional Rent shall be payable in equal monthly installments in advance on or before the first day of each and every month during Lease Term, without any setoff or deduction whatsoever. If any rental payment date falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time

basis shall be prorated on the same basis. Tenant shall commence paying Additional Rent on the Lease Commencement Date. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 Definitions. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Calendar Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.2 "**Expense Year**" shall mean each Calendar Year, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive-month period, and, in the event of any such change, Tenant's Share of Common Area Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.3 "**Operating Expenses**" shall mean Tenant's Share of all "Common Expenses" attributable to the Agency Space as defined in Exhibit B; provided, that the Operating Expenses shall not exceed \$314,000 per year, adjusted annually for inflation, commencing with the Lease Commencement Date, as measured by the CPI for San Francisco – Oakland – All Urban Consumers, provided that this cap shall be applied on a prorated basis for Common Area Expenses collected for less than a one-year period.

4.3 Calculation and Payment of Additional Rent.

4.3.1 Statement of Operating Expenses and Payment by Tenant. Landlord shall endeavor to give to Tenant on or before the first day of the fourth month following the end of each Expense Year, a statement (the "**Statement**") which shall state Tenant's Operating Expenses actually incurred or accrued for such preceding Expense Year. Upon receipt of the Statement for each Expense Year ending during the Lease Term, Tenant shall pay, with its next installment of Additional Rent due, the full amount of the Operating Expenses for such Expense Year, less the amounts paid during such Expense Year as "Tenant's Estimated Share," as that term is defined in Section 4.3.3 below. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord from enforcing its rights under this Article 4. Even though the Lease Term has expired, when the final determination is made of Operating Expenses for the Expense Year in which this Lease terminates, Tenant shall immediately pay to Landlord the amount of any difference between Tenant's Share and Tenant's Estimated Share. The provisions of this Section 4.3.1 shall survive the expiration or earlier termination of the Lease Term.

4.3.2 Statement of Estimated Expenses. In addition, Landlord shall give Tenant an expense estimate statement (the "**Estimate Statement**") which shall set forth Landlord's reasonable estimate (the "**Estimate**") of the total amount of Operating Expenses for the succeeding Expense Year ("**Tenant's Estimated Share**"). Tenant shall pay, as each installment of Additional Rent due for the succeeding Expense Year, one-twelfth of Tenant's Estimated Share set forth in the Estimate Statement.

4.4 Late Charges. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) business days following the due date therefor, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the amount due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder, at law and/or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) business days following Tenant's receipt of written notice of delinquency shall thereafter bear interest until paid at a rate (the "Interest Rate") equal to the lesser of (i) the "Prime Rate" or "Reference Rate" announced from time to time by the Bank of America (or such reasonable comparable national banking institution as selected by Landlord in the event Bank of America ceases to exist or publish a Prime Rate or Reference Rate), plus two percent (2%), or (ii) the highest rate permitted by applicable law.

ARTICLE 5

USE OF PREMISES

Tenant shall use the Premises solely for general office purposes consistent with the character of the Agency Space as office space for governmental entities, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever. Tenant further covenants and agrees that it shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of Exhibit D, attached hereto, or in violation of the laws of the United States of America, the state in which the Real Property is located, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Real Property. Tenant shall not do or permit anything to be done on or about the Premises which may in any way increase the existing rate of any insurance policy covering the Building or Real Property or any of its contents or cause cancellation of any such insurance policy. Tenant shall comply with all recorded covenants, conditions, and restrictions, now or hereafter affecting the Real Property. Tenant shall not use or allow another person or entity to use any part of the Premises for the storage, use, treatment, manufacture or sale of "Hazardous Material," as that term is defined below, or for the transport of such materials through the Common Area, except in compliance with all laws or regulations applicable to the use, transport or storage of Hazardous Materials. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the state in which the Real Property is located or the United States Government.

ARTICLE 6

SERVICES AND UTILITIES

6.1 Standard Tenant Services. Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below.

6.1.1 Subject to reasonable changes implemented by Landlord and to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating, ventilation and air conditioning ("HVAC") when necessary for normal comfort for normal office use in the Premises, from Monday through Friday, during the period from 7:00 a.m. to 7:00 p.m., (the "Building Hours"), except for the date of observation of New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence

Day, Labor Day, Thanksgiving Day and the day thereafter, Christmas Day and other locally or nationally recognized holidays as designated by Landlord (collectively, the "Holidays").

6.1.2 Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as determined by Landlord. Landlord shall replace lamps, starters and ballasts for Building standard lighting fixtures within the Premises. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes.

6.1.4 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Premises and window washing services in a manner consistent with other comparable buildings in the vicinity of the Building.

6.1.5 Landlord shall provide nonexclusive automatic passenger elevator service at all times.

6.1.6 Landlord shall provide nonexclusive freight elevator service subject to scheduling by Landlord.

6.1.7 Landlord shall provide telecommunications, Internet and data transmission services to all offices and work stations within the Premises.

6.1.8 Landlord shall provide, as part of the Jointly Used Spaces, server room(s), mail services, graphics and printing services and library and meeting rooms. Use of the meeting rooms shall be subject to such advance reservation and other rules as Landlord may reasonably establish from time to time with input from Tenant.

6.2 Overstandard Tenant Use. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than building standard lights in the office portion of the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the need for water above that normally furnished to other offices in the Agency Space by Landlord pursuant to the terms of Section 6.1 of this Lease. If Tenant uses water or HVAC in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, or if Tenant's consumption of electricity shall exceed such levels, as determined by Landlord based on sub-metering of such usage, then Tenant shall pay to Landlord, within ten (10) days after billing and as additional rent, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices (including without limitation Quadlogic revenue grade meters (or comparable devices) and related data transmission and collection systems and software) to separately meter any increased use, and in such event Tenant shall pay, as additional rent, the increased cost directly to Landlord, within ten (10) days after demand. If Tenant desires to use HVAC during hours other than the Building Hours, Tenant shall give Landlord such prior notice, as Landlord shall from time to time establish as appropriate, of Tenant's desired use.

6.3 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Real Property after reasonable effort to do so, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

ARTICLE 7

REPAIRS

7.1 Tenant's Repairs. Subject to Landlord's repair obligations in Sections 7.2 and 11.1 below, Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation, the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof. Tenant agrees to promptly notify Landlord or its representative of any accidents or defects in the Building of which Tenant becomes aware, including defects in pipes, electrical wiring and HVAC equipment. In addition, Tenant shall provide Landlord with prompt notification of any matter or condition which may cause injury or damage to the Building or any person or property therein.

7.2 Landlord's Repairs. Anything contained in Section 7.1 above to the contrary notwithstanding, and subject to Articles 11 and 12 of this Lease, Landlord shall repair and maintain the structural portions of the Building, including without limitation the Premises and the Common Area and the Jointly Used Spaces, including the basic plumbing, heating, ventilating, air conditioning, electrical telecommunications and data systems serving the Building or the Agency Space; provided, however, if such maintenance and repairs are caused in part or in whole by the act, neglect, fault of or omission of any duty by Tenant, its agents, servants, employees or invitees, Tenant shall pay to Landlord as Additional Rent, the reasonable cost of such maintenance and repairs. There shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Real Property, Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant hereby waives and releases its right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code; or under any similar law, statute, or ordinance now or hereafter in effect.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 Landlord's Consent to Alterations. Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord; provided, however, Landlord may withhold its consent in its sole and absolute discretion with respect to any Alterations which may affect the structural components of the Building or the Systems and Equipment. Tenant shall pay for all costs and expenses of the Alterations. The construction of the initial improvements to the Premises shall be governed by the terms of the Memorandum of Understanding, dated as of February 13, 2013 (the "2013 MOU"), between Landlord and Tenant, and not the terms of this Article 8.

8.2 Manner of Construction. Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable with respect to any work affecting the structural components of the Building or Systems and Equipment (including designating specific contractors to perform such work and requiring Tenant to comply with the terms of the Project Stabilization Agreement for the Bay Area Headquarters Project, made and entered into the 14th day of June 2012 (the "Stabilization Agreement"), between Landlord, together with any prime contractor and subcontractors at all tiers, and the San Francisco Building & Construction Trades Council and its affiliated local unions who have executed the Stabilization Agreement). Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Real Property is located. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. In performing the work of any such Alterations, Tenant shall have the work performed in such manner as not to obstruct access to the Building or the Common Area, and as not to obstruct the business of Landlord or other tenants of the Agency Space, or interfere with the labor force working at the Real Property. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require. In addition, Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee. Upon completion of any Alterations, Tenant shall (i) cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Real Property is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, (ii) deliver to Landlord or its facility operator a reproducible copy of the "as built" drawings of the Alterations, and (iii) deliver to Landlord evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials.

8.3 Landlord's Property. All Alterations, improvements or fixtures which may be installed or placed in or about the Premises, from time to time, shall be and become the property of Landlord. Furthermore, Landlord may require that Tenant remove any improvement or Alteration upon the expiration or early termination of the Lease Term, and repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Real Property, Building or Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Real Property, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Notwithstanding anything to the contrary set forth in this Lease, if any such lien is not released and removed on or before the date notice of such lien is delivered by Landlord to Tenant, Landlord, at its sole option, may immediately take all action necessary to release and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

10.1 Indemnification and Waiver. Tenant hereby assumes all risk of damage to property and injury to persons, in, on, or about the Premises from any cause whatsoever and agrees that Landlord and its officers, agents, property managers, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage to property or injury to persons or resulting from the loss of use thereof, which damage or injury is sustained by Tenant or by other persons claiming through Tenant, except to the extent caused by the negligence or willful misconduct of any Landlord Party. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises (including, without limitation, Tenant's installation, placement and removal of Alterations, improvements, fixtures and/or equipment in, on or about the Premises), and any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, licensees or invitees of Tenant or any such person, in, on or about the Premises, Building and Real Property; provided, however, that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of

Landlord or any Landlord Party. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease.

10.2 Tenant's Compliance with Landlord's Fire and Casualty Insurance. Tenant shall, at Tenant's expense, comply as to the Premises with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies, then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts, which amounts and coverages shall be subject to adjustment by Landlord from time to time upon not less than ninety (90) days prior written notice to Tenant, provided however that Landlord may not require coverages or insurance amounts in excess of insurance requirements generally being imposed upon commercial office tenants of comparable space by landlords in the City of San Francisco central business district at the time of the required change in coverage or amount.

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Broad Form Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease for limits of liability not less than:

Bodily Injury and Property Damage Liability	\$2,000,000 each occurrence \$2,000,000 annual aggregate
Personal Injury Liability	\$2,000,000 each occurrence \$2,000,000 annual aggregate

10.3.2 Physical Damage Insurance covering all office furniture, trade fixtures, office equipment, merchandise and all other items of personal property on the Premises installed or owned by Tenant. Such insurance shall be written on a "physical loss or damage" basis under a "special form" policy for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

10.3.3 Workers' compensation insurance as required by law.

10.3.4 Tenant shall carry comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired or non-owned automobiles.

10.3.5 The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall: (i) name Landlord, and any other party it so specifies, as an additional

insured; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-X in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the state in which the Real Property is located; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord; and (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. If Tenant shall fail to procure such insurance, or to deliver such policies or certificate, within such time periods, Landlord may, at its option, in addition to all of its other rights and remedies under this Lease, and without regard to any notice and cure periods set forth in Section 19.1, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within ten (10) days after delivery of bills therefor.

10.4 Subrogation. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be. Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insured under policies of insurance for fire and all risk coverage, theft, public liability, or other similar insurance.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any common areas of the Building or Real Property serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base, shell, and core of the Premises and such common areas. Such restoration shall be to substantially the same condition of the base, shell, and core of the Premises and common areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Real Property, or any other modifications to the common areas deemed desirable by Landlord, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, Landlord shall also repair any injury or damage to the tenant improvements and alterations installed in the Premises and shall return such tenant improvements and alterations to their original condition. In connection with such repairs and replacements, Tenant shall, prior to the commencement of construction, submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, and if such damage is not the

result of the negligence or willful misconduct of Tenant or Tenant's employees, contractors, licensees, or invitees, Landlord shall allow Tenant a proportionate abatement of Operating Expenses during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof.

11.2 Landlord's Option to Repair. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Real Property and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within twelve (12) months following the issuance of building permits for each reconstruction; or (ii) the holder of any mortgage on the Real Property shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt. Additionally, Tenant shall have the right to terminate this Lease if the repairs cannot reasonably be completed, or have not been completed, within twelve (12) months following the date of the damage. Upon any such termination of this Lease pursuant to this Section 11.2, Tenant shall pay the Additional Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except for any monetary obligations of Tenant which, by the terms of this Lease, survive the expiration or earlier termination of this Lease Term.

11.3 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or any other portion of the Real Property, and any statute or regulation of the state in which the Real Property is located, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or any other portion of the Real Property.

ARTICLE 12

CONDEMNATION

12.1 Permanent Taking. If the whole or any part of the Premises or the Building shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose (other than a taking of existing office space other than the Premises for use by a governmental entity), or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, reconfiguration, vacation, deed or other instrument. If any portion of Premises is taken, or if access to the Premises is substantially impaired, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to

the terms of this Lease, and for moving expenses, so long as such claim does not diminish the award available to Landlord or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure.

12.2 Temporary Taking. Notwithstanding anything to the contrary contained in this Article 12, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the award made in connection with any such temporary taking to the extent required to compensate Landlord for any Additional Rent not payable by Tenant for such period, and any remaining award shall be payable to Tenant.

ARTICLE 13

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 14

NO ASSIGNMENT OR SUBLETTING

14.1 Transfers. Tenant shall not assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and its employees.

ARTICLE 15

SURRENDER; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender

of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

15.2 Removal of Tenant Property by Tenant. Unless this Lease terminates as a result of Tenant's purchase of the Premises pursuant to Article 23 below, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be in the form as may be required by any prospective mortgagee or purchaser of the Real Property (or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

ARTICLE 18

SUBORDINATION

This Lease is subject and subordinate to all present and future ground or underlying leases of the Real Property and to the lien of any mortgages or trust deeds, now or hereafter in force against the Real Property, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, or if any ground or underlying lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be, if so requested to do so by such purchaser or lessor and/or if required to do so pursuant to any subordination, non-disturbance and attornment agreement executed by Tenant pursuant to this Article 18, and to recognize such purchaser or lessor as the lessor under this Lease. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument or instruments if Tenant fails to do so, provided that such authorization shall in no way relieve Tenant from the obligation of executing such instruments of subordination or superiority. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 19

TENANT'S DEFAULTS; LANDLORD'S REMEDIES

19.1 Events of Default by Tenant. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, within ten (10) business days following the date due;

19.1.2 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30)-day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure said default as soon as possible; or

19.1.3 Abandonment of the Premises by Tenant; or

19.1.4 Repudiation, termination or failure by Tenant to diligently prosecute its obligations under the 2013 MOU or any Purchase and Sale Agreement executed by Landlord and Tenant pursuant to Article 23.

19.2 Landlord's Remedies Upon Default. Upon the occurrence of any such default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate set forth in Section 4.5 of this Lease. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition on Tenant's part to be observed or performed (and may enter the Premises for such purposes). In the event of Tenant's failure to perform any of its obligations or covenants under this Lease, and such failure to perform poses a material risk of injury or harm to persons or damage to or loss of property, then Landlord shall have the right to cure or otherwise perform such covenant or obligation at any time after such failure to perform by Tenant, whether or not any such notice or cure period set forth in Section 19.1 above has expired. Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section 19.2.3 shall not be deemed a waiver of Landlord's rights and remedies as a result of Tenant's failure to perform and shall not release Tenant from any of its obligations under this Lease.

19.3 Payment by Tenant. Tenant shall pay to Landlord, within fifteen (15) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the provisions of Section 19.2.3 above; and (ii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, reasonable legal fees and other amounts so expended. Tenant's obligations under this Section 19.3 shall survive the expiration or sooner termination of the Lease Term.

19.4 Sublessees of Tenant. In the event Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.5 Waiver of Default. No waiver by Landlord of any violation or breach by Tenant of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach by Tenant of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon a default by Tenant shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

19.6 Efforts to Relet. For the purposes of this Article 19, Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

ARTICLE 20

COMPLIANCE WITH LAW

Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures, other than the making of structural changes or changes to the Building's life safety system (collectively the "Excluded Changes") except to the extent such Excluded Changes are required due to Tenant's alterations to or manner of use of the Premises. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

ARTICLE 21

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant to enter the Premises to: (i) inspect them; (ii) to post notices of nonresponsibility; (iii) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws; (iv) for alterations, repairs or improvements to the Common Area or Jointly Used Space; or (v) as Landlord may otherwise reasonably desire or deem necessary. Notwithstanding anything to the contrary contained in this Article 21, Landlord may enter the Premises at any time, without notice to Tenant, in emergency situations and/or to perform janitorial or other services required of Landlord pursuant to this Lease. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby except to the extent caused by the negligence or willful misconduct of any Landlord Parties. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to enter without notice and use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

ARTICLE 22

TENANT PARKING

Landlord agrees to provide, at no additional cost, parking in the Building for Tenant's Board members in connection with all public meetings in the Building. Landlord shall provide to Tenant not less than four (4) valet-attended parking spaces in the Building. Such parking spaces shall be provided at no additional cost to Tenant. Tenant's continued right to use the parking spaces is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facilities and upon Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules

and regulations. Landlord specifically reserves the right, from time to time, to change the size, configuration, design, layout, location and all other aspects of the parking facilities, and Tenant acknowledges and agrees that Landlord, from time to time, may, without incurring any liability to Tenant and without any abatement of Rent under this Lease temporarily close-off or restrict access to the parking facilities, or temporarily relocate Tenant's parking spaces to other areas within a reasonable distance from the parking facilities, for purposes of permitting or facilitating any such construction, alteration or improvements or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Real Property. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to Landlord. The parking spaces provided to Tenant pursuant to this Article 22 are provided solely for use by Tenant's own personnel and the right to use such spaces may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

ARTICLE 23

OPTION TO PURCHASE PREMISES

Landlord and Tenant each acknowledge that they are entering into this Lease with the understanding that Landlord intends to convert the Agency Space into individual office condominium units, one or more of which will be occupied by Landlord or one or more of its constituent members, the Metropolitan Transportation Commission and the Bay Area Toll Authority, and one of which will be occupied by Tenant. Landlord hereby grants to Tenant the right to purchase a condominium unit of size approximately equivalent to the size of the Premises (the "**Purchase Option**"), inclusive of the furnishings and equipment provided by Landlord and an easement for use of the parking spaces allocated to the Premises pursuant to Article 22 hereof (the "**Condominium Unit**"), following recordation of a condominium subdivision map and otherwise on the terms and conditions set forth in the form of Purchase and Sale Agreement and Joint Escrow Instructions attached as Exhibit E to this Lease (the "**Purchase Agreement**"). Landlord shall, at Landlord's cost, file all applications and take all other actions necessary to obtain all required governmental approvals of a condominium map establishing the Condominium Unit as a separate legal parcel and shall cause the condominium map to be recorded in the Official Records of the City and County of San Francisco as expeditiously as is commercially reasonable. Landlord and Tenant expect that Tenant's occupancy of the space constituting the Premises would continue after such purchase. The Purchase Option expires on the Lease Expiration Date.

ARTICLE 24

MISCELLANEOUS PROVISIONS

24.1 Terms; Captions. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

24.2 Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of

their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

24.3 No Waiver. No waiver of any provision of this Lease shall be implied by any failure of a party to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

24.4 Transfer of Landlord's Interest. Tenant acknowledges that, subject to Tenant's rights under the 2013 MOU, Landlord has the right to transfer all or any portion of its interest in the Real Property, the Building and/or in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. The liability of any transferee of Landlord shall be limited to the interest of such transferee in the Real Property and such transferee shall be without personal liability under this Lease, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

24.5 Landlord's Title; Air Rights. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

24.6 Tenant's Signs. Tenant shall be entitled to (i) one (1) identification sign on or near the entry doors of the Premises, and (ii) a listing in the ground floor lobby directory for the Agency Space. The location, quality, design, style, lighting and size of such signs shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval, in its reasonable discretion. Upon the expiration or earlier termination of this Lease for any reason other than Tenant's exercise of the Purchase Option and purchase of the Premises, Tenant shall be responsible, at its sole cost and expense, for the removal of such signage and the repair of all damage to the Building caused by such removal. Except for such identification signs, Tenant may not install any signs on the exterior or roof of the Building or the Common Area of the Agency Space. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.

24.7 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

24.8 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

24.9 Time of Essence. Time is of the essence of this Lease and each of its provisions.

24.10 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

24.11 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representation, including, but not limited to, any representation whatsoever as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the Exhibits attached hereto.

24.12 Landlord Exculpation. It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and the Landlord Parties hereunder (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Real Property, and neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

24.13 Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease, including all exhibits attached hereto, supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties hereto, and none thereof shall be used to interpret or construe this Lease. This Lease and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all

reliance with respect to representations is based totally upon the representations and agreements contained in this Lease.

24.14 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Building as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building and Real Property, provided that Landlord shall exercise its best efforts to lease all office space within the Agency Space to other governmental agencies or instrumentalities. Except as provided in this Section 24.14, Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Real Property.

24.15 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

24.16 Notices. All notices, demands, statements or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date it is mailed as provided in this Section 24.16 or upon the date personal delivery is made. If Tenant is notified of the identity and address of Landlord's mortgagee, Tenant shall give to such mortgagee written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.

24.17 Authority. Tenant confirms that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

24.18 Dispute Resolution. In the event of a dispute between the parties with respect to any of the provisions of this Lease other than the non-payment by Tenant of Rent, if the parties are unable to resolve the dispute, either party may require mediation in accordance with this Section 24.18. The mediation shall proceed in accordance with rules promulgated by the mediator chosen pursuant to this Section 24.18. The mediation process shall be confidential and treated as a compromise negotiation for purposes of Federal and State rules of evidence. The parties shall each pay one-half of the cost of the mediator. Within ten (10) days following notice by either party that it elects to resolve the dispute by mediation, Landlord and Tenant shall meet and select a disinterested third party to act as mediator. If the parties fail to agree on a mediator, either party may request the American Arbitration Association in San Francisco to appoint a mediator. The mediator may be replaced upon ten (10) days written request by

either party, using the procedure outlined above, provided, however that either party may replace the mediator only once. The mediator shall convene the mediation session not later than ten (10) business days after his or her selection. If the parties are able to resolve their dispute through mediation, the representatives of the parties in attendance at the meeting shall execute a written agreement or memorandum that shall set forth in reasonable detail the resolution terms, the actions to be taken by a party as part of the resolution and the period in which such action or actions are to be completed. The executed agreement or memorandum shall be binding on the parties to this Lease. If the parties are unable to resolve their disputes through mediation, the matter in dispute shall be determined by binding arbitration under the Commercial Rules of the American Arbitration Association (the "Commercial Rules"). The arbitration hearing shall be held within the City and County of San Francisco. Any such controversy shall be arbitrated by a single arbitrator, who shall be an impartial real estate professional or lawyer having not less than ten years experience developing, managing and representing owners of commercial office properties in the San Francisco area. The arbitrator shall be appointed under the Commercial Rules and shall determine the controversy in accordance with applicable law, the intention of the parties as expressed in the Lease and any amendments thereto and any evidence produced at the arbitration hearing. Arbitration discovery shall be permitted in accordance with the Commercial Rules or California law applicable to arbitration proceedings. The arbitrator's determination shall be rendered within thirty (30) days after the conclusion of the hearing and may include an award of attorneys' fees and costs to the prevailing party. The foregoing shall not prevent Landlord from bringing an unlawful detainer proceedings in the event Tenant is in default of its obligation to pay Rent or is otherwise in material breach of the provisions of this Lease, nor shall the dispute resolution procedures described in this Section 24.18 apply to disputes involving claims by or against third parties which require the joinder of any such party for complete resolution of the claim.

24.19 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of California.

24.20 Brokers. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease (the "Brokers"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than the Brokers.

24.21 Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Real Property or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

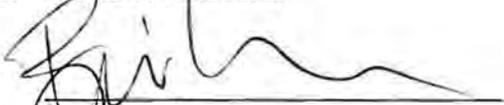
24.22 Building Name and Signage. Landlord shall have the right at any time to change the name of the Building and Real Property and to install, affix and maintain any and all signs on the exterior and on the interior of the Building and any portion of the Real Property as Landlord may, in Landlord's sole discretion, desire.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"Landlord:"

BAY AREA HEADQUARTERS AUTHORITY

By: 
Name: Steve Heminger
Title: Executive Director

By: 
Name: Brian Mayhew
Title: Chief Financial Officer

Approved as to form:


General Counsel

"Tenant:"

ASSOCIATION OF BAY AREA GOVERNMENTS

By: 
Name: Ezra Rapport
Title: Executive Director

Approved as to form:

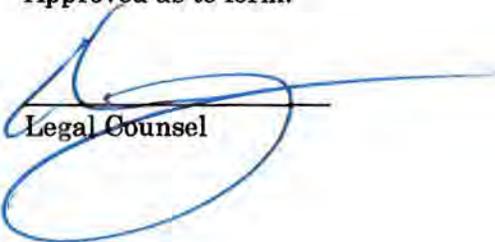

Legal Counsel

EXHIBIT A

OUTLINE OF FLOOR PLAN OF PREMISES

RINCON PLACE

- COMMON AREAS LEGEND:**
 Entry Lobby/Elevator
 Board Room/Meeting
 Retail
 Rest Room
 Exit Stair
 Storage/ File Room
- EQUIPMENT LEGEND:**
 * Printer - Agency
 Copy/Print Scanner



BEALE STREET

MAIN STREET

HARRISON STREET



BAHA
 375 Beale St.
 San Francisco, CA

REVISIONS:
1
2
3
4
5
6
7

relocationconnections inc
 3170 Crow Canyon Place, Suite 210
 San Ramon, CA 94583

Floor Plan
 1st Floor

Scale: NTS
 Date: 12/29/15
 By:

Item 12.F., Lease Number 1

RINCON PLACE

MAIN STREET

BEALE STREET

HARRISON STREET

- COMMON AREAS LEGEND:**
- Elevator Lobby
 - Conference
 - Print/Copy/Mail/Supplies
 - Phone
 - Pantry/ Break Room
 - Storage/ File Room
 - Rest Room/Fitness
 - Exit Stair
- EQUIPMENT LEGEND:**
- Printer - Agency
 - Copy/Print Scanner



BAHA
375 Beale St.
San Francisco, CA

REVISIONS:	1	2	3	4	5	6	7

relocationconnections inc
3170 Crow Canyon Place, Suite 210
San Ramon, CA 94583

Floor Plan
2nd Floor

Scale: NTS
Date: 12/28/15
By:

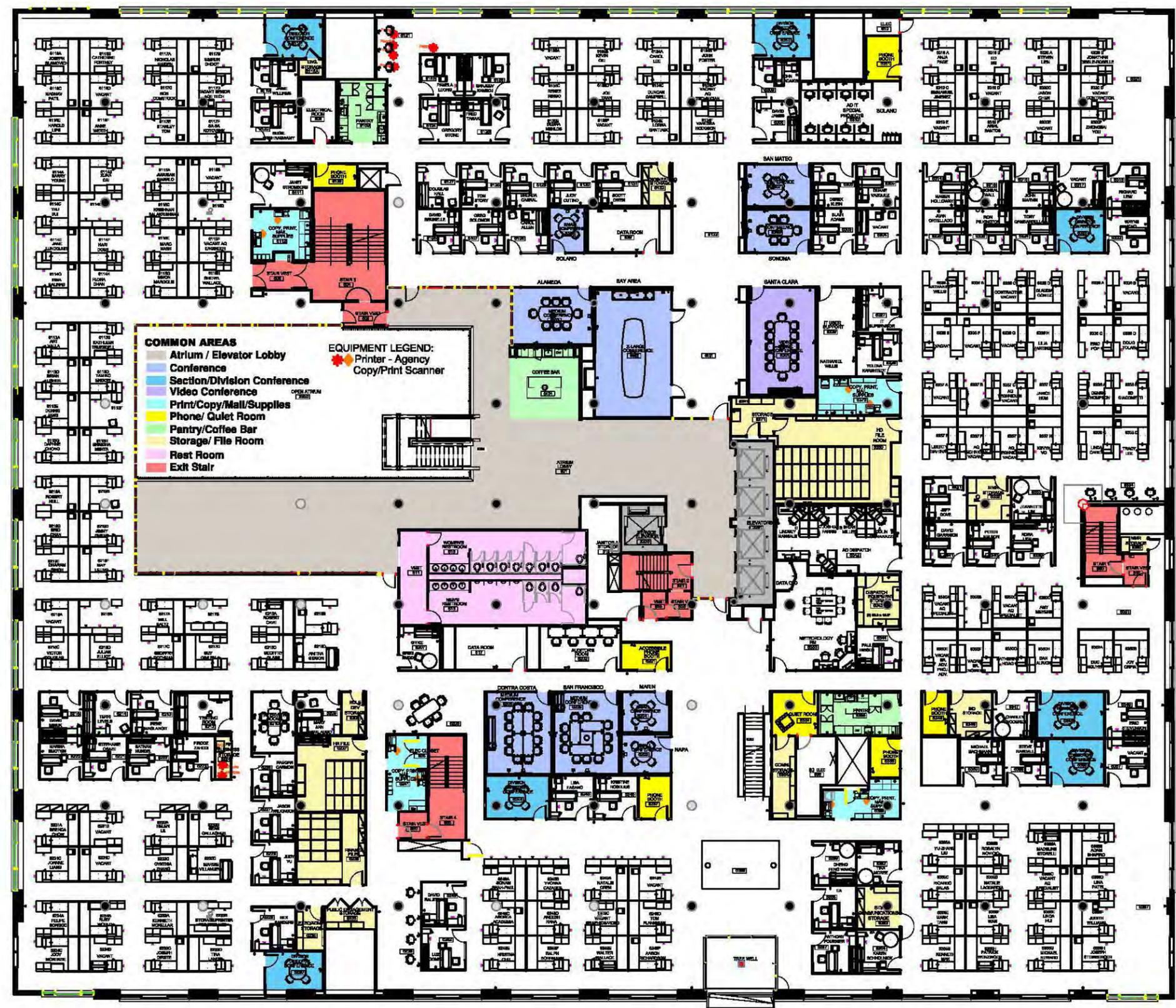
Item 12.F., Lease



RINCON PLACE
AIR DISTRICT

BEALE STREET

MAIN STREET



HARRISON STREET



BAHA
375 Beale St.
San Francisco, CA

REVISIONS:
1
2
3
4
5
6
7

relocationconnections inc
3170 Crow Canyon Place, Suite 210
San Ramon, CA 94583

Floor Plan
6th Floor

Scale: NTS
Date: 01/04/16
By:

Item 12.F., Lease



BAHA
375 Beale St.
San Francisco, CA

REVISIONS:	DATE	BY
1		
2		
3		
4		
5		
6		
7		

relocationconnections inc
3170 Crow Canyon Place, Suite 210
San Ramon, CA 94583

Floor Plan
7th Floor

Scale: NTS
Date: 01/04/16
By:

EXHIBIT A-1

Legal Description of Real Property

That certain real property situated in the City of San Francisco, County of San Francisco, State of California, and described as follows:

Parcel A, as said parcel is shown on the map recorded July 15, 2008 in Book 47 of Parcel Maps, Pages 142 and 143, San Francisco County Records.

Being part of 100 Vara Block No. 332.

APN: Block 3746, Lot 002

EXHIBIT B

COMMON EXPENSES

(a) Defined Terms:

"Agency" means Landlord and its affiliated governmental entities, the Bay Area Air Quality Management District (BAAQMD) and the Association of Bay Area Governments (ABAG).

"Agency Space" means the portion of the first and fifth floors used by BAHA and other Agencies and all of the sixth through eighth floors and certain related facilities used as governmental agency space.

"Agency Space Common Area" consists of that portion of the Common Area that serves only the Agency Space.

"Capital Improvements" means any improvements or alterations which increase the size, value or life of the Facility. For avoidance of doubt, "Capital Improvements" do not include (i) routine repairs and maintenance, (ii) replacements, improvements or repairs to existing building systems or components and (iii) other improvements having a useful life of less than five years.

"Commercial Space" consists of that portion of the Facility on the first through fifth floors leased or available for lease by Landlord to commercial and retail tenants.

"Facility" means the building located on the Real Property.

"Facility-wide Common Area" consists of that portion of the Common Area which serves the entire Facility.

"Jointly Used Space" consists of those spaces that are available for use generally by each Agency in common with all other occupants of the Agency Space or on an advance reservation basis, as and to the extent provided herein and in any rules and regulations promulgated by the 375 Beale Street Committee from time to time. The pantries, libraries, mail and copy centers, reception area, phone booths, collaboration/teaming areas, restrooms, quiet rooms, IT rooms, equipment storage rooms, the eighth floor terrace and the hallways and passageways between and among offices within the Agency Space shall be available for use by all occupants of the Agency Space. Conference rooms, data centers, multi-purpose room and the first floor Board room, warming kitchen and related facilities will be available to Agencies pursuant to a reservation system to be established by the 375 Beale Street Committee and administered either by BAHA or by the affected Agency, provided that BAAQMD shall have the right to close off or restrict access to the sixth floor on days which are not official BAAQMD work days so long as the other Unit Owners have a right of access to the network closets on the sixth floor. Use of any other portions of the sixth floor Jointly Used Space on non-BAAQMD work days shall be on a case by case basis, as approved by BAAQMD.

(b) Common Expenses:

(1) Definition: "Common Expenses" means the expenses payable by Landlord for costs of: maintenance, management, administration, operation and ordinary repairs to the Facility, but excluding any such expenses which are the responsibility of a tenant with respect to its leased premises. Common Expenses attributable to the Agency Space shall include such expenses for the Agency Space Common Area, the Jointly Used Space and a prorata share of the Facility-wide Common Area. The Commercial Space shall bear a prorata share of Common Expenses attributable to the Facility-wide Common Area, and Landlord, as the owner of the Commercial Space, shall be responsible for all maintenance, management, operation and repair of the Commercial Space, which costs shall not be included in Common Expenses. Common Expenses shall include each of the expense categories described in (2) below and reasonable reserves and contingencies for such purposes, compensation paid by Landlord for management of the Common Area and the Agency Space, fees paid to accountants, attorneys or other employees and agents for services rendered to the Landlord for the benefit of the tenants of the Agency Space collectively, and all other costs specifically designated to be Common Expenses by or in accordance with the provisions of this Exhibit B, but expressly excluding Capital Improvements made by Landlord to the Facility or any portion thereof, which costs shall be borne solely by Landlord.

(2) Included Expenses: Except as otherwise undertaken by a tenant solely for the benefit of that tenant's Leased Premises, "Common Expenses" shall include the costs of or charges for the following, by way of illustration but not limitation: water and sewer; insurance premiums, licenses, permits and inspections; heat, light, power and steam; internet services; telephone access; janitorial services; security services; maintenance and service agreements on equipment servicing the Facility; window cleaning; garbage services; costs of air conditioning; costs of supplies, materials, equipment and tools; and the cost of contesting by appropriate proceedings the validity of the subdivision of the Facility or any statute, ordinance, rule or regulation affecting the Facility which might increase Common Expenses. All replacements, improvements and repairs which cost in excess of \$250,000 or add five (5) years or more to the useful life of the building system or component being replaced, improved or repaired, but which do not constitute Capital Improvements, shall be amortized over the useful life of the improvement, replacement or repair and the annual amortized portion included in Common Expenses until fully amortized.

(3) Allocation of Common Expenses. Any Common Expenses which are incurred for the benefit of both the Agency Space and the Commercial Space shall be allocated among all premises leased by Agencies, and any Common Expenses incurred solely for the benefit of the Agency Space shall be allocated to the Agency Space, in accordance with the formulae set forth in subparagraph(s) below, as determined by Landlord. All Common Expenses allocated to the Agency Space pursuant to the foregoing sentence are hereinafter referred to as the Agency Space Common Expenses, and all Common Expenses allocated to all leased premises are hereinafter referred to as the Facility-wide Common Expenses.

(4) Exclusions from "Common Expenses": "Common Expenses" shall not include depreciation, advertising costs, leasing expenses, leasing commissions and related property management or lease enforcement costs relating to the rental of any portion of the Facility, real property taxes of any type assessed against the Facility or separately incurred, levied or assessed against a tenant or its premises, indebtedness secured by the Facility as a whole, and other costs that are the responsibility of each tenant individually; provided that nothing contained herein shall preclude the Landlord from collecting monies and paying such

expense on behalf of individual tenants where such action is permitted pursuant to the terms of the applicable lease.

EXHIBIT C

[RESERVED]

EXHIBIT D

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building.

1. Access to the Building and the Premises shall be controlled by a card access system. Tenant shall have the right and responsibility to control access to the Premises or portions thereof, including hours of access and levels of security clearance. Tenant, at Tenant's sole expense, may install its own security system within the Premises, provide Tenant's own security service for the Premises, or both; provided that any such Tenant-installed security system shall be subject to Landlord's prior approval and shall be compatible with Landlord's card access system and that Tenant shall give Landlord keys or access codes to any such system.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant and its Representatives must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building.

Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building Register when so doing.

After-hours access by Tenant's authorized Representatives may be provided by card-key access or other procedures adopted by Landlord from time to time. Tenant shall pay for the costs of all access cards provided to Tenant's Representatives and all replacements thereof for lost, stolen or damaged cards.

Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged a pass for such access. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person.

In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

4. Residency in or overnight use and occupancy of any portion of Building is strictly prohibited.

5. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied.

6. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate with Landlord or Landlord's agents to prevent same.

7. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

8. The requirements of Tenant will be attended to only upon application at the management office of the Building or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

9. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than 24 hours' prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building. Courier delivery services companies such as FedEx, UPS, and DHL excepted.

10. Tenant shall not overload the floor of the Premises. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on the interior walls of the Premises (but at the end of the Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).

11. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

12. Tenant must comply with requests by the Landlord concerning the informing of Tenant's Representatives of items of importance to the Landlord.

13. Tenants are responsible for the cost of the installation, maintenance and replacement of all interior signage related to their operations and services within their premises and Landlord's prior approval.

14. Landlord shall have the right to control and operate the public portions of the Building, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants and other occupants of the Building, in such manner as is customary for comparable buildings in the vicinity of the Building.

15. Licensed service animals are not allowed to roam unattended or off leash in the Building. Pets are not allowed in buildings.

16. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord.

17. Tenant shall not waste electricity, water or air conditioning and shall cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls.

18. Space heaters are not allowed in the Building.

19. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.

20. No cooking shall be done or permitted by Tenant on the Premises. No gas or electric stove, range tops, toaster ovens and hot plates are permitted. Underwriter's Laboratory-approved equipment, microwave ovens and toasters (but not toaster ovens) may be used in the designated kitchen/pantry areas for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors that are objectionable to Landlord, other tenants or occupants of the Building.

21. Refrigerators are not permitted to be used in areas other than a kitchen/pantry area.

22. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the City and County of San Francisco without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

23. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

24. Except for any such materials used or tested in Tenant's laboratory that is part of the Premises, Tenant shall not use or keep in or on the Premises or the Building any kerosene, gasoline or other inflammable or combustible fluid or material or use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other tenants or occupants of the Building or those having business therewith.

25. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority.

26. Bicycles of any kind are not permitted in the building at any time except in the designated storage spaces.

27. Tenants shall comply with the following Rules and Regulations for the Bicycle Storage and Locker Area (BSL Area).

BIKE STORAGE

- a) Bike racks will be accessible by tenants and other occupants of the Building only.
- b) Users must store bicycles on the provided bicycle racks only. If the rack is full, the User shall inquire with the Property Manager for the location of alternate bike storage area.
- c) User shall not block the entrance to the BSL Area or position bicycles in a manner that will impede others from entering or exiting the BSL Area.
- d) Bicycle owners' locks should be used to secure bikes stored in the BSL Area at all times.
- e) Locks will not be provided.
- f) Bike racks are intended to be used by Users while they are present at 375 Beale. Bike racks will be checked nightly by Building Security. If a bicycle is left on the rack for more than three consecutive nights without prior permission from the Property Manager the lock will be cut and the bicycle removed by Building Security. Contact Building Security to reclaim your bike.
- g) Users shall report any suspicious activity, vandalism or damage to Building Security immediately.
- h) All Users agree to use the bike racks at their own risk and assume any and all liability.

Any violations of these Rules and Regulations will result in cancellation of bike storage privileges.

LOCKERS

- a) The BSL Area will be accessible by tenants and other occupants of the Building only and available on a first come, first serve basis.
- b) The BSL Area may be subject to closure from time to time by the property manager for the purposes of maintenance, repair, renovation or construction. To the extent possible, a minimum of 24 hours of advance notice will be posted on the website.
- c) Locks should be used to secure personal belongings stored in the Locker Areas at all times and removed daily.
- d) Locks will not be provided.
- e) Personal items may not be stored in lockers overnight.
- f) The Locker Areas will be checked nightly by Building Security and any locks remaining on lockers will be cut and contents confiscated for pick up by locker user at a later date.
- g) All Users agree to use the BSL Area at their own risk and assume any and all liability.

Any violations of these Rules and Regulations will result in cancellation of the locker room privileges.

For the safety of all tenants and personnel of Landlord, the only access permitted to and from the bike racks is via the *Harrison Street*. Bicycles are not permitted on vehicle entrance and exit lanes, or Loading Dock.

The Property Manager reserves the right to add, change or delete any Rule or Regulation herein contained and to change the method of operation to ensure maximum enjoyment of the BSL Area.

28. Landlord shall have the right to make such other reasonable Rules and Regulations pertaining to the Building, including without limitation the Premises, or the Common Area as necessary or appropriate for the management of the Building and the preservation of good order therein.

EXHIBIT E

**FORM OF PURCHASE AND SALE AGREEMENT AND JOINT ESCROW
INSTRUCTIONS**

[See Attached]

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made and entered into as of the ___ day of _____, 2016, by and between BAY AREA HEADQUARTERS AUTHORITY, a joint powers authority established pursuant to the California Joint Exercise of Powers Act ("BAHA"), and ASSOCIATION OF BAY AREA GOVERNMENTS, a joint powers authority established pursuant to the California Joint Exercise of Powers Act ("ABAG").

IN CONSIDERATION of the respective agreements hereinafter set forth, BAHA and ABAG hereby agree as follows:

1. Property. BAHA hereby agrees to sell and convey to ABAG, and ABAG hereby agrees to purchase from BAHA, subject to the terms and conditions set forth herein, the following (collectively, the "Property"):

(a) that certain office condominium unit identified as Unit 4 located at 375 Beale Street, San Francisco, California 94105 (the "Unit"), as more particularly described in the draft map attached hereto as Exhibit A-1 (the "Draft Map"), together with all rights, privileges, easements and appurtenances to or affecting the Unit, including without limitation membership in the Corporation, the right to use the Common Area, and the Jointly Used Spaces, and the right to occupy space in other condominium units at 375 Beale Street, San Francisco, California 94105, all as more fully set forth in that certain Declaration of Covenants, Conditions and Restrictions (the "CC&R's") to be recorded in the Official Records of the City and County of San Francisco, a draft of which is attached hereto as Exhibit E (collectively, the "Real Property");

(b) all of BAHA's right, title and interest in and to the work stations, office furniture, fixtures, telephone and computer systems and other equipment installed by BAHA in the Unit, other than the personal property that is installed in Right of Occupancy Spaces and the Jointly Used Spaces and intended to be retained by BAHA (the "Personal Property"); and

(c) all "as-built" plans and specifications and governmental permits and approvals relating to the use and occupancy of the Unit (the ("Intangible Property").

All capitalized terms not otherwise defined herein shall have the meanings set forth in the CC&R's.

2. Purchase Price; Independent Consideration.

(a) Purchase Price and Manner of Payment. The purchase price (the "Purchase Price") to be paid by ABAG to BAHA for the Property at closing shall be ABAG's condominium ownership interest in its condominium unit ("ABAG Unit") located in the MetroCenter, located at 101 Eighth Street, Oakland, California 94607 ("MetroCenter"), as more particularly described in Exhibit A-2, together with all rights, privileges, easements and appurtenances to or affecting the ABAG Unit, including without limitation, ABAG's ownership interest in the Common Area, the Library Unit, the Meeting Room Unit, the Parking Unit and the Cafeteria Unit, as such terms are defined in the Declaration of Covenants, Conditions and

Restrictions of the Regional Administrative Facility, recorded in the Official Records of Alameda County as Instrument No. 84-254126 (the "MetroCenter CC&R's") (collectively, the "ABAG Real Property"), together with (1) all of ABAG's right, title and interest in and to the work stations, office furniture, fixtures, telephone and computer cabling and other equipment installed by ABAG ("ABAG Personal Property") and (2) all "as-built" plans and specifications and governmental permits and approvals relating to the use and occupancy of the ABAG Unit ("ABAG Intangible Property" and together with the ABAG Real Property and the ABAG Personal Property, the "ABAG Property"). The Purchase Price shall be paid through recordation of deed and execution of other necessary documents through the escrow established pursuant to Section 9 below.

(b) Independent Consideration. Upon mutual execution of this Agreement, ABAG shall deliver to BAHA in cash the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) (the "Independent Contract Consideration") which amount has been bargained for and agreed to as consideration for ABAG's exclusive option to purchase the Property provided hereunder and for BAHA's execution and delivery of this Agreement. The Independent Contract Consideration is in addition to and independent of all other consideration provided in this Agreement, and is nonrefundable in all events.

3. BAHA's Deliveries. Within a reasonable period of time following the mutual execution of this Agreement, BAHA shall, to the extent BAHA has not already done so, deliver or cause to be delivered to ABAG the following, to the extent in BAHA's actual possession (collectively, the "Due Diligence Materials") at BAHA's sole cost and expense: (a) a current preliminary title report prepared by Title Company with respect to the Real Property, together with legible copies of all underlying documents referenced therein (collectively, the "Preliminary Report"), (b) copies of any environmental reports, studies, surveys and other documentation with respect to the environmental condition of the Unit or the real property on which it is located (the "Environmental Documents"), (c) copies of all other existing reports, plans, surveys, drawings and specifications relating to the Property, (d) copies of all documents regarding litigation, liens or threatened claims with respect to the Property (if any), (e) copies of all contracts and agreements with respect to management and maintenance of the Property which BAHA desires ABAG to assume; (f) copies of all building occupancy permits, including certificates of occupancy, for the Unit; and (g) copies of the articles of incorporation and bylaws for association under the CC&R's. The Due Diligence Materials are for ABAG's use in connection with ABAG's investigation of the Property. ABAG acknowledges that, except as otherwise provided in Section 11 below, BAHA is not making any representation or warranty of any kind with respect to the Due Diligence Materials, including their accuracy, completeness or suitability for reliance thereon by ABAG.

4. ABAG's Deliveries. Within a reasonable period of time following the mutual execution of this Agreement, ABAG shall, to the extent ABAG has not already done so, deliver or cause to be delivered to BAHA the following, to the extent in ABAG's actual possession (collectively, the "ABAG Due Diligence Materials"): (a) a current preliminary title report prepared by Title Company with respect to the ABAG Real Property, together with legible copies of all underlying documents referenced therein (collectively, the "ABAG Preliminary Report"), (b) copies of any environmental reports, studies, surveys and other documentation with respect to the environmental condition of the ABAG Unit or the real property on which it is

located and that are not already available to BAHA or its assignee through affiliation with the Regional Agency Facility Corporation (the "ABAG Environmental Documents"), (c) copies of all other existing reports, plans, surveys, drawings and specifications relating to the ABAG Unit and the MetroCenter, (d) copies of all documents regarding litigation, liens or threatened claims with respect to the ABAG Unit and the MetroCenter (if any), (e) copies of all contracts and agreements with respect to management and maintenance of the ABAG Unit and the MetroCenter which ABAG desires BAHA to assume; (f) copies of all building occupancy permits, including certificates of occupancy, for the ABAG Unit and the MetroCenter, that are not already available to BAHA or its assignee through affiliation with the Regional Agency Facility Corporation, and (g) copies of all documents relating to ABAG's compliance with the provisions of section 9.08 of the MetroCenter CC&R's. The ABAG Due Diligence Materials are for BAHA's use in connection with BAHA's investigation of the ABAG Unit and the MetroCenter. BAHA acknowledges that, except as otherwise provided in Section 12 below, ABAG is not making any representation or warranty of any kind with respect to the ABAG Due Diligence Materials, including their accuracy, completeness or suitability for reliance thereon by BAHA.

5. ABAG's Review and BAHA's Disclaimer.

(a) Inspection Period. As used herein, the term "Inspection Period" shall refer to a period of time to expire at 5:00 p.m., Pacific Time, on the date that is ten (10) days following the later of (i) full execution of this Agreement by ABAG and BAHA or (ii) the date on which BAHA has delivered the Due Diligence Materials to ABAG.

(b) Physical Inspection. ABAG hereby covenants that it will observe and inspect the physical condition of the Unit, the building of which it is a part, including without limitation the Common Area and the Jointly Used Spaces. Further, ABAG acknowledges that it is currently in possession and occupancy of a substantial portion of the Property pursuant to a lease between ABAG and BAHA dated as of _____, 2016, and has had the opportunity to review and select the Personal Property in the course of its tenancy under such lease.

(c) Title. ABAG shall complete its review of the Preliminary Report and all documents and information pertaining to any exceptions to title listed therein prior to the expiration of the Inspection Period. Any such exceptions not expressly disapproved by ABAG in writing within the applicable review period shall be deemed approved and shall be referred to as "Permitted Exceptions." In the event that ABAG notifies BAHA in writing of its disapproval of any exceptions to title listed in the Preliminary Report on or before the expiration of the applicable review period ("Objections"), BAHA shall have the right, but not the obligation, to cure any of the Objections by removing or causing the Title Company to insure over such Objections within thirty (30) days after receipt of the Objections, during which period the Closing will be postponed if necessary. If BAHA is unable to cure any Objections within said thirty (30) day period, or if BAHA gives ABAG written notice at anytime during said thirty (30) day period stating that BAHA declines to attempt to cure any of the Objections, then ABAG will have the option, within five (5) business days after the end of said thirty (30) day period or receipt of said written notice from BAHA, as its sole right and remedy, to either (i) terminate this Agreement in which event neither party shall have any further obligations to the other hereunder except under provisions of this Agreement which specifically state that they survive termination

or (ii) waive the Objections (and the ABAG's Condition Precedent described in Section 7(b) of this Agreement) and proceed to Closing. Notwithstanding anything to the contrary contained herein, BAHA shall be obligated to remove from title on or before Closing any monetary liens affecting the Property (other than monetary liens resulting from ABAG's acts).

(d) As-Is Sale. Except as otherwise expressly set forth in Section 11 and Section 17 of this Agreement and any of the documents delivered by BAHA at Closing, neither BAHA nor its directors, officers, employees, agents, representatives or attorneys (collectively, the "BAHA Parties") or contractors have made any representations, guaranties, promises, statements, assurances or warranties, express or implied, to ABAG including, without limitation, any pertaining to the suitability, habitability or merchantability or fitness of the Property for ABAG's intended use or for any use whatsoever, the physical or environmental condition thereof, the expenses of operating the Unit, the condition of title thereto, the truth, accuracy or completeness of the Due Diligence Materials, or as to any other past, present or future matter whatsoever. ABAG acknowledges and agrees that it has satisfied itself regarding the condition of the Property and the foregoing matters, and, except as otherwise provided in this Section 5(d), that the Property will be purchased in its "AS IS" condition and "WITH ALL FAULTS" on the Closing Date and that ABAG assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by its investigation.

(e) ABAG's Release. Except with respect to any claims arising out of any breach of covenants, representations or warranties set forth in this Agreement or in the documents delivered by BAHA at Closing, ABAG, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges BAHA, its agents, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this agreement, which ABAG has or may have in the future, arising out of the physical, environmental, economic or legal condition of the Property. ABAG hereby specifically waives the provisions of section 1542 of the California Civil Code ("Section 1542") and any similar law of any other state, territory or jurisdiction. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

ABAG hereby specifically acknowledges that ABAG has carefully reviewed this subsection and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement.

ABAG Initials

(f) [Map]. BAHA and ABAG acknowledge that the Unit does not currently constitute a separate legal parcel under the California Subdivision Map Act (the "Act"). Accordingly, Closing under this Agreement is conditioned on the Unit being mapped as a separate legal parcel under the Act and in compliance with the San Francisco subdivision regulations and San Francisco Subdivision Code allowing such property to be legally conveyed to ABAG (the "Map Act Condition"). The Map Act Condition cannot be waived by either party

to this Agreement, and shall be deemed satisfied only upon the recordation of a parcel map or a final map, in substantially the form attached hereto Exhibit A-1, causing the Unit to constitute a separate legal parcel in compliance with the Act (the "Map"). Closing shall not occur unless and until the Map Act Condition has been satisfied. If the Map has not been recorded on or before _____, then this Agreement will automatically terminate.] [*Note: All provisions relating to the Map and the Map Act Condition will be deleted if the Map is recorded prior to execution of this Agreement.*]

6. BAHA's Review and ABAG's Disclaimer.

(a) Inspection Period. As used herein, the term "ABAG Inspection Period" shall refer to a period of time to expire at 5:00 p.m., Pacific Time, on the date that is ten (10) days following the later of (i) full execution of this Agreement by BAHA and ABAG or (ii) the date on which ABAG has delivered the ABAG Due Diligence Materials to BAHA.

(b) Physical Inspection. BAHA hereby covenants that it will observe and inspect the physical condition of the ABAG Unit, the MetroCenter of which it is a part, including without limitation the Common Area, the Library Unit, the Meeting Room Unit, the Parking Unit and the Cafeteria Unit (as such terms are defined in the MetroCenter CC&R's). Further, BAHA agrees to the selection and the installation of the ABAG Personal Property in the ABAG Unit.

(c) Title. BAHA shall complete its review of the ABAG Preliminary Report and all documents and information pertaining to any exceptions to title listed therein prior to the expiration of the Inspection Period. Any such exceptions not expressly disapproved by BAHA in writing within the applicable review period shall be deemed approved and shall be referred to as "ABAG Permitted Exceptions." In the event that BAHA notifies ABAG in writing of its disapproval of any exceptions to title listed in the Preliminary Report on or before the expiration of the applicable review period ("ABAG Objections"), ABAG shall have the right, but not the obligation, to cure any of the ABAG Objections by removing or causing the Title Company to insure over such ABAG Objections within thirty (30) days after receipt of the ABAG Objections, during which period the Closing will be postponed if necessary. If ABAG is unable to cure any ABAG Objections within said thirty (30) day period, or if ABAG gives BAHA written notice at anytime during said thirty (30) day period stating that ABAG declines to attempt to cure any of the ABAG Objections, then BAHA will have the option, within five (5) business days after the end of said thirty (30) day period or receipt of said written notice from ABAG, as its sole right and remedy, to either (i) terminate this Agreement in which event neither party shall have any further obligations to the other hereunder except under provisions of this Agreement which specifically state that they survive termination or (ii) waive the ABAG Objections (and BAHA's Condition Precedent described in Section 8(d) of this Agreement) and proceed to Closing. Notwithstanding anything to the contrary contained herein, ABAG shall be obligated to remove from title on or before Closing any monetary liens affecting the ABAG Unit (other than monetary liens resulting from BAHA's acts).

(d) As-Is Sale. Except as otherwise expressly set forth in Section 10 and Section 17 of this Agreement and any of the documents delivered by ABAG at Closing, neither ABAG nor its members, directors, officers, employees, agents, representatives or attorneys (collectively, the "ABAG Parties") or contractors have made any representations, guaranties,

promises, statements, assurances or warranties, express or implied, to BAHA including, without limitation, any pertaining to the suitability, habitability or merchantability or fitness of the ABAG Unit for BAHA's intended use or for any use whatsoever, the physical or environmental condition thereof, the expenses of operating the ABAG Unit, the condition of title thereto, the truth, accuracy or completeness of the ABAG Due Diligence Materials, or as to any other past, present or future matter whatsoever. BAHA acknowledges and agrees that it has satisfied itself regarding the condition of the ABAG Unit and the foregoing matters, and, except as otherwise provided in this Section 6(d), that the ABAG Unit will be purchased in its "AS IS" condition and "WITH ALL FAULTS" on the Closing Date and that BAHA assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by its investigation.

(e) BAHA's Release. Except with respect to any claims arising out of any breach of covenants, representations or warranties set forth in this Agreement or in the documents delivered by ABAG at Closing, BAHA, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges ABAG, its members, agents, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this agreement, which BAHA has or may have in the future, arising out of the physical, environmental, economic or legal condition of the Property. BAHA hereby specifically waives the provisions of Section 1542 and any similar law of any other state, territory or jurisdiction. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

BAHA hereby specifically acknowledges that BAHA has carefully reviewed this subsection and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement.

BAHA Initials

7. ABAG's Conditions Precedent to Closing. The following are conditions precedent to ABAG's obligation to purchase the Property (the "ABAG's Conditions Precedent"). ABAG's Conditions Precedent are intended solely for the benefit of ABAG and may be waived only by ABAG in writing. In the event any ABAG's Condition Precedent is not satisfied, ABAG may, in its sole and absolute discretion and without limiting any of its other rights and remedies under this Agreement, at law or in equity, terminate this Agreement.

(a) Property Condition. ABAG's inspection, review and approval, prior to expiration of the Inspection Period, of the Due Diligence Materials, including, without limitation, the Preliminary Report and the Environmental Documents, which approval shall be deemed given unless ABAG shall give written notice of disapproval prior to the expiration of the Inspection Period;

(b) Title Insurance. Title Company shall be irrevocably and unconditionally committed to issue to ABAG upon the Closing an ALTA owner's policy of title insurance (2006) in the amount of the Purchase Price (which shall be determined in a manner approved by BAHA and ABAG), insuring fee simple title to the Property in ABAG, subject only to the Permitted Exceptions and such other exceptions as ABAG shall have approved in writing prior to Closing and containing such endorsements as are approved by the Title Company during the Inspection Period (the "Title Policy").

(c) Performance by BAHA. BAHA shall have complied, in all material respects, with all of BAHA's duties and obligations contained in this Agreement and all of BAHA's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct, in all material respects, when made and shall remain true and correct, in all material respects, as of the Closing Date.

(d) [Map Act Condition. The Map Act Condition shall have been satisfied.]
[*Note: To be deleted if map is recorded prior to execution of purchase agreement.*]

(e) [Recordation of CC&R's. The CC&R's shall have been recorded in the Official Records of the City and County of San Francisco in substantially the form attached hereto as Exhibit E with such modifications as are reasonably determined by BAHA, provided that BAHA may not make any modifications that materially affect the benefits, burdens or obligations of ABAG with respect to the Unit or with respect to the usable area that ABAG has a right to occupy as defined in Exhibit E without ABAG's prior written consent unless required by law or by any governmental agencies whose approval is required to create the Unit.] [*Note: To be deleted if CC&R's are recorded prior to execution of purchase agreement.*]

8. BAHA's Conditions Precedent to Closing. The following are conditions precedent to BAHA's obligation to sell the Property (the "BAHA's Conditions Precedent"). BAHA's Conditions Precedent are intended solely for the benefit of BAHA and may be waived only by BAHA in writing. In the event any BAHA's Condition Precedent is not satisfied, BAHA may, in its sole and absolute discretion and without limiting any of its other rights and remedies under this Agreement, at law or in equity, terminate this Agreement.

(a) Property Condition. BAHA's inspection, review and approval, prior to expiration of the ABAG Inspection Period, of the ABAG Due Diligence Materials, including, without limitation, the ABAG Preliminary Report and the ABAG Environmental Documents, which approval shall be deemed given unless BAHA shall give written notice of disapproval prior to the expiration of the ABAG Inspection Period;

(b) [Map Act Condition. The Map Act Condition shall have been satisfied.]
[*Note: To be deleted if map is recorded prior to execution of purchase agreement.*]

(c) Recordation of Grant Deed for ABAG Real Property. One or more grant deeds showing the ownership of the ABAG Real Property as transferred to BAHA (or its assignee).

(d) Title Insurance. Title Company shall be irrevocably and unconditionally committed to issue to BAHA (or its assignee) upon the Closing an ALTA owner's policy of title

insurance (2006) in an amount mutually agreed to by ABAG and BAHA (which shall be determined by reference to recent appraisals for the ABAG Real Property), insuring fee simple title to the ABAG Real Property in BAHA (or its assignee), subject only to the ABAG Permitted Exceptions and such other exceptions as BAHA shall have approved in writing prior to Closing and containing such endorsements as are approved by the Title Company during the ABAG Inspection Period (the "ABAG Unit Title Policy").

(e) Performance by ABAG. ABAG shall have complied, in all material respects, with all of ABAG's duties and obligations contained in this Agreement and all of ABAG's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct, in all material respects, when made and shall remain true and correct, in all material respects, as of the Closing Date.

(f) [Recordation of CC&R's. The CC&R's shall have been recorded in the Official Records of the City and County of San Francisco in substantially the form attached hereto as Exhibit E with such modifications as are reasonably determined by BAHA, provided that BAHA may not make any modifications that materially affect the benefits, burdens or obligations of ABAG with respect to the Unit or with respect to the usable area that ABAG has a right to occupy as defined in Exhibit E without ABAG's prior written consent unless required by law or by any governmental agencies whose approval is required to create the Unit.] **[*Note: To be deleted if CC&R's are recorded prior to execution of purchase agreement.*]**

9. Escrow; Closing.

(a) Escrow. Upon mutual execution of this Agreement, the parties hereto shall deposit a fully executed copy of this Agreement with First American Title Insurance Company, 1850 Mt. Diablo Blvd., Suite 300, Walnut Creek, California 94596; Escrow Officer: Kitty Schlesinger) (hereinafter "Title Company" or "Escrow Holder") and this Agreement shall serve as instructions to Escrow Holder for consummation of the purchase contemplated hereby. BAHA and ABAG shall execute such supplemental escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement, provided such supplemental escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions signed by ABAG and/or BAHA, the terms of this Agreement shall control.

(b) Closing. The parties intend for the consummation of the sale of the Property as provided hereunder (the "Closing") to take place through escrow on the date that is ten (10) business days after the satisfaction of the Map Act Condition (the "Closing Date").

(c) BAHA's Closing Deliveries. On or before the last business day immediately preceding the Closing Date, BAHA shall deliver to Escrow Holder the following:

(i) Deed. A duly executed and acknowledged grant deed in the form attached to this Agreement as Exhibit B-1 (the "375 Beale Street Deed");

(ii) Bill of Sale. Two (2) duly executed counterpart originals of two separate bills of sale with respect to the Personal Property and the ABAG Personal Property, respectively, in the form attached to this Agreement as Exhibit C (the "Bills of Sale");

(iii) Assignment and Assumption of Intangible Property. Two (2) duly executed counterpart originals of two separate assignments and assumption of intangible property in the form attached to this Agreement as Exhibit D (the "Assignments");

(iv) BAHA's Certificate. A duly executed Certificate confirming the continued truth and accuracy as of the Closing Date of the representations and warranties set forth in Section 11, except as otherwise may be set forth in the Certificate;

(v) MTC Certificate. A certificate duly executed by MTC confirming the truth and accuracy as of the Closing Date of the representations and warranties set forth in Section 11A, except as otherwise may be set forth in the certificate;

(vi) Preliminary Change of Ownership Report. A duly executed and original preliminary change of ownership report (if required); and

(vii) Closing Costs. Immediately available funds in the amount of BAHA's share of Closing Costs.

(d) ABAG's Closing Deliveries. On or before the last business day immediately preceding the Closing Date, ABAG shall deliver to Escrow Holder the following:

(i) Deed. A duly executed and acknowledged grant deed in the form attached to this Agreement as Exhibit B-2 (the "MetroCenter Deed" and together with the 375 Beale Street Deed, the "Deeds")

(ii) Bill of Sale. Two (2) duly executed counterpart originals of each of the separate Bills of Sale;

(iii) Assignment and Assumption of Intangible Property. Two (2) duly executed counterpart originals of each of the separate Assignments;

(iv) ABAG's Certificate. A duly executed Certificate confirming the continued truth and accuracy as of the Closing Date of the representations and warranties set forth in Section 12, except as otherwise may be set forth in the Certificate.

(v) Preliminary Change of Ownership Report. A duly executed and original preliminary change of ownership report (if required); and

(vi) Closing Costs. Immediately available funds in the amount of the ABAG's share of Closing Costs.

(e) Additional Closing Documents. BAHA and ABAG shall each deposit such other instruments as are reasonably required by Escrow Holder or otherwise required to

close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

10. Closing Costs and Prorations. BAHA and ABAG agree to the following prorations and allocation of costs ("Closing Costs") regarding this Agreement:

(a) Real Estate Taxes Assessments. ABAG and BAHA are each governmental entities and are not subject to real property taxes. In the event there are any assessments which attach to governmentally owned real property, such assessments shall be prorated and adjusted between BAHA and ABAG as of the Closing Date so that (1) with respect to the Unit, BAHA shall pay, or give ABAG credit for, any such assessments that accrued on or prior to the Closing Date and ABAG shall pay, or assume, any such assessments that accrue after the Closing Date, and (2) with respect to the ABAG Unit, ABAG shall pay, or give BAHA credit for, any such assessments that accrued on or prior to the Closing Date and BAHA shall pay, or assume, any such assessments that accrue after the Closing Date. The obligations of ABAG and BAHA set forth in this Section 10(a) shall survive the Closing.

(b) Property Expenses. There shall be no proration at Closing of utilities and common area assessments for the Unit or the ABAG Unit. These expenses shall be paid by ABAG and BAHA, respectively, after Closing.

(c) Title Insurance and Escrow Fee. BAHA shall pay the premium attributable to the Title Policy and the ABAG Title Policy and any reasonable and customary escrow fee or charge imposed by Escrow Holder.

(d) Recording Costs. BAHA shall pay the cost of recording the Deeds and all other documents, if any, recorded pursuant to the terms of this Agreement.

(e) Transfer Taxes. No governmental documentary transfer or transaction taxes or fees shall be payable in connection with this transaction because both ABAG and BAHA are exempt governmental entities.

The provisions of this Section 10 shall survive the Closing.

11. Representations and Warranties of BAHA and Assignee(s). BAHA hereby represents and warrants to ABAG as follows [***Note: Reps and Warranties are still under review and a disclosure schedule will be prepared if necessary.***]:

(a) Power and Authority. Taking into account the effect of the Partial MTC Assignment, BAHA has the power and authority (i) to enter into this Agreement and all of the documents to be executed and delivered by BAHA to ABAG at the Closing, (ii) to perform its obligations under this Agreement and under the documents to be executed and delivered by BAHA to ABAG at the Closing and (iii) to complete the transactions contemplated by this Agreement. BAHA has taken all governmental action necessary to authorize (A) the execution and delivery of this Agreement and all of the documents to be executed and delivered by BAHA to ABAG at the Closing, (B) the performance by BAHA of its obligations under this Agreement and under the documents to be executed and delivered by BAHA to ABAG at the Closing, and

(C) the completion of the transactions contemplated by this Agreement, including but not limited to, any assignment of its rights under this Agreement.

(b) Binding and Enforceable. This Agreement and all of the documents to be executed and delivered by BAHA to ABAG at the Closing have been duly executed and delivered by BAHA and constitute valid and binding obligations of BAHA.

(c) No Conflict. The execution and delivery of this Agreement and all of the documents to be executed and delivered by BAHA to ABAG at the Closing and the performance by BAHA of its obligations under this Agreement and under the documents to be executed and delivered by BAHA to ABAG at the Closing and the completion of the transactions contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which BAHA is party or by which BAHA is bound or (ii) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to BAHA or any judgment, order or decree of any court or governmental authority that is binding on BAHA.

(d) BAHA's Investigation. BAHA has examined, inspected and conducted its own investigation of all matters with respect to the physical and environmental condition of the ABAG Property, permissible uses, zoning, covenants, conditions and restrictions and all other matters which in BAHA's judgment bear upon the value and suitability of the ABAG Property for BAHA's purposes. BAHA acknowledges that, except as otherwise provided herein, ABAG has not made any representation of any kind in connection with soils, environmental or physical conditions on, or bearing on, the use of the ABAG Property, and BAHA is relying solely on BAHA's own inspection and examination of such items and not on any representation of ABAG.

(e) Ownership. BAHA has not granted any option or right of first refusal or first opportunity to any other party to acquire any interest in any of the Property.

(f) Actions. To BAHA's knowledge, except for the on-going discussions with the San Francisco Planning Department concerning the current zoning of the Real Property, (i) there are no condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would materially and adversely affect the use, operation or value of the Property, (ii) there are no special assessment proceedings affecting the Property, (iii) there is no litigation pending or threatened in writing against BAHA arising out of the ownership or operation of the Property or that might detrimentally affect the Property or the ability of BAHA to perform its obligations under this Agreement. BAHA shall notify ABAG promptly of any such proceedings or litigation of which BAHA becomes aware, and (iv) BAHA has received no written notice from any governmental entity that the Property is in violation of any applicable laws, ordinances or regulations.

(g) Contracts for Improvements and Other Encumbrances. To BAHA's knowledge, other than possible construction contract retentions for which funds have been reserved by BAHA or contracts related to 375 Beale Street generally that will not be assumed by ABAG at Closing, at the time of Closing there will be no outstanding written or oral contracts made by BAHA for any improvements to the Property which have not been fully paid for and, except as set forth in the Preliminary Report, there are no existing or proposed easements,

covenants, restrictions, agreements or other documents which affect title to the Property and which were not disclosed in writing to ABAG prior to the date of this Agreement.

(h) Hazardous Materials. To BAHA's knowledge and except as set forth in the Due Diligence Materials, there has been no release, storage, treatment, generation or disposal of Hazardous Materials by BAHA, or any other party during BAHA's ownership of the Property, on, under or from the Property in violation of any applicable laws, ordinances or regulations. For purposes of this Agreement, the term "Hazardous Materials" shall mean any toxic or hazardous waste, material or substance, including, without limitation, asbestos, petroleum, petroleum products, underground storage tanks now or previously containing any other Hazardous Materials, substances defined as "hazardous substances", "hazardous waste" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601, et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801; and Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.; and other substances defined as hazardous waste and hazardous substances in applicable state or local laws and/or in any regulations and publications promulgated pursuant to said laws.

11A. Representations and Warranties of MTC. If BAHA completes the Partial MTC Assignment and assigns its rights with respect to the ABAG Property to MTC, then MTC will be deemed to make the following representations and warranties to ABAG:

(a) Power and Authority. MTC has the power and authority (i) to partially assume BAHA's rights under this Agreement, (ii) to enter into all of the documents to be executed and delivered by MTC to ABAG at the Closing, (iii) to perform its obligations under this Agreement and the documents to be executed and delivered by MTC to ABAG at the Closing and (iii) to complete the transaction contemplated by this Agreement. MTC has taken all governmental action necessary to authorize (A) the partial assumption of this Agreement and the execution of the documents to be executed and delivered by MTC to ABAG at the Closing, (B) the performance by MTC of its obligations under this Agreement and under the documents to be executed and delivered by MTC to ABAG at the Closing and (C) the completion of the transaction contemplated by this Agreement.

(b) Binding and Enforceable. The partial assumption of this Agreement and all of the documents to be executed and delivered by MTC to ABAG at the Closing will have been duly executed and delivered by MTC and constitute valid and binding obligations of MTC.

(c) No Conflict. The partial assumption of this Agreement and all of the documents to be executed and delivered by MTC to ABAG at the Closing and the performance by MTC of its obligations under this Agreement and under the documents to be executed and delivered by MTC to ABAG at the Closing and the completion of the transaction contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which MTC is party or by which MTC is bound or (ii) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to MTC or any judgment, order or decree of any court or governmental authority that is binding on MTC.

(d) MTC's Investigation. MTC has examined, inspected and conducted its own investigation of all matters with respect to the physical and environmental condition of the ABAG Property, permissible uses, zoning, covenants, conditions and restrictions and all other matters which in MTC's judgment bear upon the value and suitability of the ABAG Property for MTC's purposes. MTC acknowledges that, except as otherwise provided herein, ABAG has not made any representation of any kind in connection with soils, environmental or physical conditions on, or bearing on, the use of the ABAG Property, and MTC is relying solely on MTC's own inspection and examination of such items and not on any representation of ABAG.

12. Representations and Warranties of ABAG. ABAG hereby represents and warrants to BAHA as follows:

(a) Power and Authority. ABAG has the power and authority (i) to enter into this Agreement and all of the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing, (ii) to perform its obligations under this Agreement and under the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing and (iii) to complete the transaction contemplated by this Agreement. ABAG has taken all governmental action necessary to authorize (A) the execution and delivery of this Agreement and the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing, (B) the performance by ABAG of its obligations under this Agreement and under the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing and (C) the completion of the transaction contemplated by this Agreement.

(b) Binding and Enforceable. This Agreement and all of the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing have been duly executed and delivered by ABAG and constitute valid and binding obligations of ABAG.

(c) No Conflict. The execution and delivery of this Agreement and all of the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing and the performance by ABAG of its obligations under this Agreement and under the documents to be executed and delivered by ABAG to BAHA (or its assignee) at the Closing and the completion of the transaction contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which ABAG is party or by which ABAG is bound or (ii) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to ABAG or any judgment, order or decree of any court or governmental authority that is binding on ABAG.

(d) ABAG's Investigation. ABAG has examined, inspected and conducted its own investigation of all matters with respect to the physical and environmental condition of the Property, permissible uses, zoning, covenants, conditions and restrictions and all other matters which in ABAG's judgment bear upon the value and suitability of the Property for ABAG's purposes. ABAG acknowledges that, except as otherwise provided herein, BAHA has not made any representation of any kind in connection with soils, environmental or physical conditions on, or bearing on, the use of the Property, and ABAG is relying solely on ABAG's own inspection and examination of such items and not on any representation of BAHA.

(e) Ownership. Except for those rights of first refusal as set forth in section 9.08 of the MetroCenter CC&Rs, all of which have been waived in writing with respect to the transaction contemplated by this Agreement, ABAG has not granted any option or right of first refusal or first opportunity to any other party to acquire any interest in any of the ABAG Unit.

(f) Actions. To ABAG's knowledge (i) there are no condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would materially and adversely affect the use, operation or value of the ABAG Unit, (ii) there are no special assessment proceedings affecting the ABAG Unit, (iii) there is no litigation pending or threatened in writing against ABAG arising out of the ownership or operation of the ABAG Unit or that might detrimentally affect the ABAG Unit or the ability of ABAG to perform its obligations under this Agreement. ABAG shall notify BAHA promptly of any such proceedings or litigation of which ABAG becomes aware, and (iv) ABAG has received no written notice from any governmental entity that the Property is in violation of any applicable laws, ordinances or regulations.

(g) Contracts for Improvements and Other Encumbrances. To ABAG's knowledge, at the time of Closing there will be no outstanding written or oral contracts made by ABAG for any improvements to the ABAG Unit which have not been fully paid for and, except as set forth in the preliminary title report pertaining to the ABAG Unit, there are no existing or proposed easements, covenants, restrictions, agreements or other documents which affect title to the ABAG Unit and which were not disclosed in writing to BAHA prior to the date of this Agreement.

(h) Hazardous Materials. To ABAG's knowledge there has been no release, storage, treatment, generation or disposal of Hazardous Materials by ABAG, or any other party during ABAG's ownership of the ABAG Unit, on, under or from the ABAG Unit in violation of any applicable laws, ordinances or regulations.

13. Survival. All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall be deemed made as of the date of this Agreement or such writing and shall survive the execution and delivery of this Agreement, the 375 Beale Street Deed, the MetroCenter Deed and the Closing, provided that the representations and warranties set forth in Sections 11(d) through 11(h), 11A(d), and 12(d) through 12(h) shall survive the Closing only for a period of nine (9) months following the Closing Date and, if no claim is made in writing within such period, shall expire and be of no further force and effect.

14. Casualty or Condemnation.

(a) In the event any of the Property is damaged and/or destroyed by fire or other casualty prior to the Closing, and the cost to repair and/or restore such damage and/or destruction exceeds Fifty Million Dollars (\$50,000,000), then ABAG shall have the right to terminate this Agreement by written notice to BAHA within five (5) business days after ABAG has received written notice from BAHA of the occurrence of such casualty and the cost of such repair and/or restoration. In the event of any such termination, ABAG and BAHA shall each be

liable for one-half of any escrow fees or charges, and neither party shall have any further liability or obligation under this Agreement.

(b) In the event any of the Property is damaged and/or destroyed by fire or other casualty prior to the Closing where (i) the cost to repair and/or restore such damage and/or destruction does not exceed Fifty Million Dollars (\$50,000,000), or (ii) the cost to repair and/or restore such damage and/or destruction exceeds Fifty Million Dollars (\$50,000,000) but this Agreement is not terminated pursuant to Section 14(a) above as a result thereof, then the Closing shall occur as scheduled notwithstanding such damage; provided, however, that BAHA shall be obligated, at its cost, to restore or repair the Unit to its prior condition and shall retain its interest in all insurance proceeds payable in connection with such damage or destruction. BAHA's obligations pursuant to the immediately preceding sentence shall survive the Closing.

(c) In the event a governmental entity commences eminent domain proceedings (or threatens in writing to commence such proceedings) to take any portion of the Unit, or the ABAG Unit, or any other portion of the building in which either is located which would impair ABAG's use of the Unit, or BAHA's (or its assignees) use of the ABAG Unit, respectively, after the date hereof and prior to the Closing, then (1) with respect to the Unit, ABAG shall have the option to terminate this Agreement by written notice to BAHA within five (5) business days after ABAG has received written notice from BAHA of the occurrence of such commencement or threatened commencement, and (2) with respect to the ABAG Unit, BAHA shall have the option to terminate this Agreement by written notice to ABAG within five (5) business days after BAHA has received written notice from ABAG of the occurrence of such commencement or threatened commencement. In the event of any such termination, ABAG and BAHA shall each be liable for one-half of any escrow fees or charges, and neither party shall have any further liability or obligation under this Agreement.

(d) In the event a governmental entity commences any such eminent domain proceedings after the date hereof and prior to the Closing and this Agreement is not terminated pursuant to Section 14(c) above as a result thereof, then the Closing shall occur as scheduled notwithstanding such proceeding; provided, however, that (1) with respect to the Unit, BAHA's interest in all awards arising out of such proceedings which are attributable to the taking of any portion of the Unit shall be assigned to ABAG as of the Closing or credited to ABAG if previously received by BAHA and (2) with respect to the ABAG Unit, ABAG's interest in all awards arising out of such proceedings which are attributable to the taking of any portion of the ABAG Unit shall be assigned to BAHA (or its assignee) as of the Closing or credited to BAHA (or its assignee) if previously received by ABAG. ABAG's and BAHA's obligations pursuant to the immediately preceding sentence shall survive the Closing.

15. Covenants.

(a) BAHA Covenants.

(i) Continued Operation of the Property. Between BAHA's execution of this Agreement and the Closing, BAHA shall cause the Property to be operated and maintained in substantially the condition existing upon the date of this Agreement. Prior to the Closing, BAHA may not materially alter the Property in any way without ABAG's prior written

authorization. **[*Note: This section might need to be updated prior to execution if there are ongoing improvement activities.*]**

(ii) [Recordation of the Map]. BAHA shall, at BAHA's cost, file all applications and take all other actions necessary to obtain all required approvals of the Map, in substantially the form attached hereto as Exhibit A-1, establishing the Unit as a separate legal parcel and shall cause the Map to be recorded in the Official Records of the City and County of San Francisco as expeditiously as is commercial reasonable.] **[*Note: This section can be deleted if the map is recorded prior to execution of the purchase agreement.*]**

(iii) [CC&R's]. BAHA shall, at BAHA's cost, take all actions necessary to cause the CC&R's to be recorded in the Official Records of the City and County of San Francisco in substantially the form attached hereto as Exhibit E with such modifications as are reasonably determined by BAHA, provided that BAHA may not make any modifications that materially increase the burdens or obligations of the owner of the Unit without ABAG's prior written consent unless required by law or by any governmental agencies whose approval is required to create the Unit.] **[*Note: This section can be deleted if the map is recorded prior to execution of the purchase agreement.*]**

(b) ABAG Covenant. Between ABAG's execution of this Agreement and the Closing, ABAG shall cause the ABAG Unit to be operated and maintained in substantially the condition existing upon the date of this Agreement, provided that ABAG may vacate the ABAG Unit and **[*Note: Insert conditions to be negotiated in consultation with RAFC*]**. Prior to the Closing, ABAG may not materially alter the ABAG Unit in any way without BAHA's prior written authorization.

16. Brokers. Each party hereby agrees to indemnify, protect and defend the other (by counsel reasonably acceptable to the party seeking indemnification) against and hold the other harmless from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, resulting from any claims for a real estate commission, finder's fee or other real estate brokerage-type compensation by any person or entity based upon the acts of that party with respect to the transaction contemplated by this Agreement. The obligations of ABAG and BAHA under this Section 16 shall survive the Closing.

17. Hazardous Materials Indemnity.

(a) BAHA Indemnity. BAHA shall indemnify, defend and hold harmless ABAG from any Repair and Remediation Costs (as defined below) arising from the release, treatment, use, generation, storage or disposal by BAHA or any of its employees, agents or contractors of Hazardous Materials on, under or from the Unit occurring prior to the Closing. As used in this subparagraph the term "Repair and Remediation Costs" means the cost of any required or necessary remediation or removal of Hazardous Materials from the Unit, any cost of repair of the Unit necessitated by the remediation or removal of Hazardous Materials from the Unit and the costs of any testing, sampling or other investigations or preparation of remediation or other required plans undertaken in connection with the remediation or removal of Hazardous Materials from the Unit. The indemnification obligations set forth in this Section 17 shall

survive the Closing. BAHA expressly preserves its rights against other parties, and does not release or waive its rights to contribution, against any other party.

(b) ABAG Indemnity. ABAG shall indemnify, defend and hold harmless BAHA (or its assignee) from any ABAG Repair and Remediation Costs (as defined below) arising from the release, treatment, use, generation, storage or disposal by ABAG or any of its employees, agents or contractors of Hazardous Materials on, under or from the ABAG Unit occurring prior to the Closing. As used in this subparagraph the term "ABAG Repair and Remediation Costs" means the cost of any required or necessary remediation or removal of Hazardous Materials from the ABAG Unit, any cost of repair of the ABAG Unit necessitated by the remediation or removal of Hazardous Materials from the ABAG Unit and the costs of any testing, sampling or other investigations or preparation of remediation or other required plans undertaken in connection with the remediation or removal of Hazardous Materials from the ABAG Unit. The indemnification obligations set forth in this Section 17 shall survive the Closing. ABAG expressly preserves its rights against other parties, and does not release or waive its rights to contribution, against any other party.

18. Miscellaneous.

(a) Notices. Any and all notices, elections, approvals, consents, demands, requests and responses ("Notice") permitted or required to be given under this Agreement shall be given in writing, signed by or on behalf of the party giving the same, and sent by certified or registered mail, postage prepaid, return receipt requested, or by hand delivery or overnight courier service (such as Federal Express), to the party to be notified at the address of such party set forth below or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance with this Section 18(a). Any Notice shall be effective upon receipt but if attempted delivery is refused or rejected, the date of refusal or rejection shall be deemed the date of receipt. Notices sent by telecopy shall be effective only if also sent by nationally recognized express overnight courier service for delivery within two (2) business days.

If to ABAG:

Association of Bay Area Governments
375 Beale Street, Suite _____
San Francisco, CA 94105
Attn: _____
Tel: _____
Fax: _____

With a copy to:

Attn: _____
Tel: _____
Fax: _____

If to BAHA:

Bay Area Headquarters Authority
375 Beale Street, Suite _____
San Francisco, CA 94105
Attn: Executive Director
Tel: _____
Fax: _____

with a copy to:

Attn: _____
Tel: _____
Fax: _____

If to Escrow Holder:

First American Title Insurance Company
1850 Mt. Diablo Blvd., Suite 300
Walnut Creek, California 94596
Attn: Kitty Schlesinger
Tel: 925-927-2154
Fax: 925-927-2180

(b) Successors and Assigns. Subject to the provisions hereof, this Agreement shall be binding upon the successors and assigns of BAHA and ABAG. The parties acknowledge that the right to purchase the Property pursuant to the terms of this Agreement is personal to the Association of Bay Area Governments or any successor governmental agency performing the same functions, and, except as provided in this Agreement, neither ABAG's nor BAHA's rights hereunder may be otherwise assigned without the prior written consent of BAHA or ABAG, respectively, which may be withheld in BAHA's or ABAG's, respectively, sole discretion. Any assignment in violation of this Section 18(b) shall be void.

(i) Partial MTC Assignment. Notwithstanding the foregoing, concurrently with its execution of this Agreement, BAHA is assigning its right to take title to the ABAG Property under this Agreement and the right to rely on ABAG's representations, warranties and covenant as set forth in Sections 2(a), 4, 6, 8, 9, 10, 12, 13, 14, 15(b), 16, 17, and 18 of this Agreement to the Metropolitan Transportation Commission ("MTC") without ABAG's consent (the "Partial MTC Assignment") pursuant to the assignment and assumption agreement attached hereto as Exhibit F. MTC is an express third-party beneficiary of this Agreement.

(c) Attorneys' Fees. In the event of any litigation or other proceeding to enforce the provisions of this Agreement or to resolve any dispute arising as a result of or by reason of this Agreement, the prevailing party in any such litigation or other proceeding shall be entitled to, in addition to any other damages assessed, its or his reasonable attorneys' fees and all other costs and expenses incurred in connection with such litigation or other proceeding.

(d) Amendments. This Agreement may be amended or modified only by a written instrument executed by BAHA and ABAG.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(f) Schedules and Exhibits. Each of the schedules and exhibits attached hereto is an integral part of this Agreement and is incorporated herein by this reference.

(g) Entire Agreement. This Agreement and the exhibits hereto constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof, including, without limitation, any letters of intent previously executed or submitted by either or both of the parties hereto, which shall be of no further force or effect upon execution of this Agreement.

(h) Captions. The Section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

(i) Time of the Essence. Time is of the essence of this Agreement. As used in this Agreement, a "business day" shall mean a day which is not a Saturday, Sunday or recognized federal or state holiday. If the last date for performance by either party under this Agreement occurs on a day which is not a business day, then the last date for such performance shall be extended to the next occurring business day.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

(k) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but any number of which, taken together, shall be deemed to constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions as of the date first above written.

ASSOCIATION OF BAY AREA
GOVERNMENTS

BAY AREA HEADQUARTERS
AUTHORITY

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: Executive Director

Approved as to form:

Legal Counsel

By: _____
Name: _____
Its: Treasurer-Auditor

Approved as to form:

General Counsel

EXHIBIT A-1

DRAFT MAP OF THE UNIT

Exhibit A

275895255170.4

Item 12.F., Lease

EXHIBIT A-2

LEGAL DESCRIPTION OF ABAG REAL PROPERTY

EXHIBIT B-1

FORM OF 375 BEALE STREET DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attn: _____

APN: _____

THIS SPACE ABOVE FOR RECORDER'S USE

Pursuant to Section 11922 of the Revenue and Taxation Code, no transfer tax will is due and owing.

Pursuant to Section 27383 of the Government Code, no recording fee is due.

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, BAY AREA HEADQUARTERS AUTHORITY, a joint powers authority established pursuant to the California Joint Exercise of Powers Act ("Grantor"), hereby grants, transfers and assigns to ASSOCIATION OF BAY AREA GOVERNMENTS, a joint powers authority ("Grantee"), that certain real property located in the City and County of San Francisco, State of California and which is more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, together with all rights, privileges, easements and appurtenances pertaining thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed, to be effective as of this ___ day of _____, 20__.

"GRANTOR"

BAY AREA HEADQUARTERS AUTHORITY, a
joint powers authority established pursuant to the
California Joint Exercise of Powers Act

By: _____
Name: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____

Exhibit A to Grant Deed

Description of Real Property

[to be attached]

Exhibit B

275895255170.4

Item 12.F., Lease

EXHIBIT B-2

FORM OF METROCENTER DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attn: _____

APN: _____

THIS SPACE ABOVE FOR RECORDER'S USE

Pursuant to Section 11922 of the Revenue and Taxation Code, no transfer tax will is due and owing.

Pursuant to Section 27383 of the Government Code, no recording fee is due.

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, ASSOCIATION OF BAY AREA GOVERNMENTS, a joint powers authority ("Grantor"), hereby grants, transfers and assigns to BAY AREA HEADQUARTERS AUTHORITY, a joint powers authority established pursuant to the California Joint Exercise of Powers Act ("Grantee"), that certain real property located in the City and County of Alameda, California and which is more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, together with all rights, privileges, easements and appurtenances pertaining thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed, to be effective as of this ___ day of _____, 20__.

"GRANTOR"

ASSOCIATION OF BAY AREA
GOVERNMENTS, a regional planning agency

By: _____
Name: _____
Its: _____

Exhibit A to Grant Deed

Description of Real Property

[to be attached]

EXHIBIT C

FORM OF BILL OF SALE

[to be conformed to sale of each of the Unit and the ABAG Unit]

This BILL OF SALE is made and entered into to be effective as of the ____ day of _____, 20__, by and between BAY AREA HEADQUARTERS AUTHORITY ("Seller") and ASSOCIATION OF BAY AREA GOVERNMENTS ("Buyer").

WHEREAS, Seller and Buyer are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 20__ (the "Agreement"), pursuant to which Seller agreed to sell to Buyer and Buyer agreed to purchase from Seller an office condominium unit located at 375 Beale Street, Suite ____, in the City and County of San Francisco, State of California, all as more particularly described in the Agreement.

WHEREAS, pursuant to the Agreement, Seller is to convey to Buyer certain office furnishings, equipment and other personal property (collectively, the "Personal Property").

NOW, THEREFORE, in consideration of Buyer entering into the Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby:

1. sells, transfers, conveys and assigns all of Seller's right, title and interest in and to the Personal Property, to have and to hold the Personal Property unto the Buyer and its successors and assigns forever, and
2. agrees to cooperate with Buyer to enforce any warranties pertaining to the Personal Property.

EXCEPT FOR ANY EXPRESS REPRESENTATIONS OR WARRANTIES SET FORTH IN THE AGREEMENT, SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, REGARDING THE ABOVE-DESCRIBED PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ENVIRONMENTAL CONDITION, AND BUYER ACCEPTS THE ABOVE-DESCRIBED PROPERTY IN AN "AS IS - WHERE IS" CONDITION, WITH ALL FAULTS.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the date first written above.

BUYER:

SELLER:

ASSOCIATION OF BAY AREA
GOVERNMENTS

BAY AREA HEADQUARTERS
AUTHORITY

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT D

FORM OF ASSIGNMENT

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY [AND CONTRACTS]

[to be conformed to sale of each of the Unit and the ABAG Unit]

This ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PERSONAL PROPERTY [AND CONTRACTS] (this "Assignment") is made and entered into to be effective as of the ___ day of _____, 20___, by and between BAY AREA HEADQUARTERS AUTHORITY ("Assignor") and ASSOCIATION OF BAY AREA GOVERNMENTS ("Assignee").

WHEREAS, Assignor and Assignee are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 20__ (the "Agreement"), pursuant to which Assignor agreed to sell to Assignee and Assignee agreed to purchase from Assignor an office condominium unit located at 375 Beale Street, Suite ____, in the City and County of San Francisco, State of California, all as more particularly described in the Agreement (the "Real Property"). Capitalized terms used but not defined herein shall have the meaning given such terms in the Agreement.

WHEREAS, pursuant to the Agreement, Assignor is to convey to Assignee certain Intangible Property relating to the Real Property.

[WHEREAS, pursuant to the Agreement, Assignor is to assign its interest in certain service agreements, maintenance agreements and other contracts relating to the Real Property which agreements and contracts are listed in Schedule 1 attached hereto (collectively, the "Contracts").]

NOW, THEREFORE, in consideration of Assignee entering into the Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignee and Assignor hereby agree as follows:

1. Intangible Property. Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in and to the Intangible Property.

2. Contracts. **[TO BE DELETED IF NO CONTRACTS]**

(a) Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in and to the Contracts. Assignor agrees to indemnify, defend, protect and hold Assignee harmless from and against any and all liability, loss, cost, damage and expense (including without limitation, attorneys' and paralegals' fees and costs) asserted against, incurred or suffered by Assignee relating to obligations with respect to the Contracts to be performed prior to the date hereof.

(b) Assignee shall perform or cause to be performed Assignors' obligations, if any, under the Contracts from and after the date of this Assignment, and agrees to indemnify, defend, protect and hold Assignor harmless from and against any and all liability, loss, cost, damage and expense (including, without limitation, attorneys' and paralegals' fees and costs) asserted against, incurred or suffered by Assignor relating to obligations with respect to the Contracts to be performed after the date hereof. Assignors agrees to indemnify, defend, protect and hold Assignee harmless from and against any and all liability, loss, cost, damage and expense (including without limitation, attorneys' and paralegals' fees and costs) asserted against, incurred or suffered by Assignee relating to obligations with respect to the Leases and Contracts to be performed before the date hereof.

3. Further Actions. Each of Assignor and Assignee hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to the other, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which the other, its successors and/or assigns, may reasonably request in order to fully assign and transfer to and vest in Assignee, its nominees, successors and/or assigns, and protect its and/or their rights, title and interest in and enjoyment of, all of the assets of Assignor intended to be transferred and assigned hereby, or to enable Assignee, its successors and/or assigns, to realize upon or otherwise enjoy any such assets, or to effect the allocation of responsibility for performance under the Contracts.

4. Miscellaneous. The provisions of this Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their successors and assigns. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, but any number of which, taken together, shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Assignment and Assumption of Intangible Property [and Contracts] as of the date first written above.

ASSIGNEE:

ASSIGNOR:

ASSOCIATION OF BAY AREA
GOVERNMENTS

BAY AREA HEADQUARTERS
AUTHORITY

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Schedule 1 to Assignment

List of Contracts

[to be attached]

EXHIBIT E

FORM OF CC&R's

[TO BE ATTACHED UPON EXECUTION OF THIS PURCHASE AND SALE
AGREEMENT]

Exhibit E

27589\5255170.4

Item 12.F., Lease

EXHIBIT F

COPY OF ASSIGNMENT FOR PARTIAL MTC ASSIGNMENT

(see attached)

Exhibit F

27589\5255170.4

Item 12.F., Lease