

CFRI Market Street Holdings LLC

September 14, 2010

Dear Supervisor Daly,

Thank you for your efforts to move the CityPlace project forward.

Per our discussion, CFRI Market Street Holdings agrees to pay on a quarterly basis to the SFMTA an amount equal to \$0.20 (twenty cents) per vehicle paying a parking fee to exit from the CityPlace garage ("The Parking Surcharge."). Car share vehicles and vehicles occupying the garage for 15 minutes or less shall not be subject to the Parking Surcharge.

This Parking Surcharge shall be paid to the SFMTA until the earlier of: 1) such time that the aggregate amounts paid to SFMTA equal the lesser of a) the total reasonable costs of those certain bicycle and/or pedestrian and/or transit improvements to be planned and constructed in the area bounded by 5th Street to the East, 6th Street to the West, Market Street to the North and Mission Street to the South specifically identified in a forthcoming feasibility study (the "Feasibility Study") to be conducted by the SFMTA (the "Feasibility Study Cap"), or b) an amount equal to a current net present value of \$1.8 million dollars; or 2) 99 years.

CFRI Market Street Holdings agrees to work with the SFMTA in good faith to implement this agreement. CFRI Market Street Holdings agrees that the SFMTA shall reserve the right to audit annually the calculation of the quarterly payments from the Parking Surcharge and the basis for them.

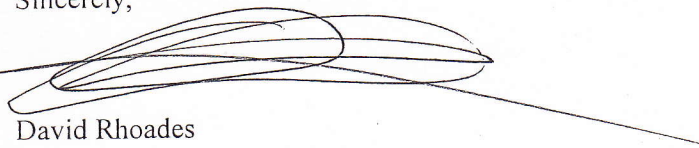
CFRI Market Street Holdings understand that the City does not intend to subject the Parking Surcharge to the any current or future parking tax levied by the City.

CFRI Market Street Holdings shall continue to work with the Planning Department to refine the project design, which, for the purposes of this agreement, shall mean continued joint work between the project architect, Planning Department and community stakeholders with reference to color, materials, fenestration and overall design.

CFRI Market Street Holdings understands that the City agrees that in the event that any future settlement of a legal action would result in the payment of any monies by CFRI, such monies will be credited against the amounts otherwise agreed to herein.

Finally, CFRI Market Street Holdings agrees to work with you and your colleagues on any legislation or other formal documents needed to implement this agreement.

Sincerely,



David Rhoades

On behalf of CFRI Market Street Holdings

cc: Board of Supervisors President David Chiu
Members of the Board of Supervisors
Arthur Levy, Esquire.
Livable City
WalkSF
John Rahaim, Director of City Planning