

ARTICLE 6.
CHANGES IN DEVELOPER

6.01 Requirements for Transfer.

For the purposes of this Agreement, a "Transfer" means any voluntary or involuntary sale, transfer, conveyance, assignment or other disposition of fee title to the whole or any part of the Private Improvement Parcels or any assignment of this Agreement or the Related Documents (except as otherwise expressly provided by the Related Document). Transfer also includes any voluntary or involuntary sale, transfer, conveyance, assignment or other disposition of the ownership interests in Developer. Except as permitted pursuant to Section 6.03, the Developer shall not engage in a Transfer except as to the specifically permitted following Transfers:

(a) Any Transfer resulting from a foreclosure of a Security Financing Interest or deed in lieu of foreclosure.

(b) Any Transfer to a transferee that meets the following criteria as to the use(s) of the portion(s) of the Project proposed to be Transferred: (i) has the experience in and has completed major mixed-use commercial, retail, residential projects of similar size, scope and nature involving a mix of national, regional and local tenants, (ii) has adequate financial capacity, including the references of at least two lending institutions with substantial lending experience in California mixed use real estate, to timely commence and complete the construction thereof, (iii) possesses a good business character and reputation, and (iv) has prior development projects and an operating presence in California. Developer shall provide reasonable evidence to the Agency demonstrating the proposed transferee's satisfaction of the foregoing criteria. The Agency shall acknowledge or challenge the proposed transferee's satisfaction of the foregoing criteria within 20 business days after Developer's submittal. During such 20-day review period, Developer and Agency shall respond to inquiries of the other and exchange information as may be requested. If Agency, exercising commercially reasonable discretion, advises Developer that the proposed transferee does not satisfy any of the stated criteria, the Agency shall provide detailed evidence of the same. If Agency fails to respond to Developer's submittal within the 20-day period, the Transfer shall be deemed permitted. Developer shall respond to Agency's evidence of the proposed transferee's failure to satisfy the criteria within 10 days after receipt of same. If, following submission of Developer's response, the Agency continues to dispute the transferee's satisfaction of the stated criteria and so notifies Developer within 5 days after receipt of Developer's response, such dispute shall be resolved by expedited arbitration.

(c) Any Transfer of a portion of the Project for which a Certificate of Completion has been issued.

(d) Any Transfer of less than a fifty percent (50%) ownership interest in Developer.

(e) Any Transfer of a residential condominium unit upon the issuance of a Certificate of Occupancy for the residential building.

(f) Except as to Block 6 (as same is shown on Exhibit A), any Transfer of any portion of the Project (other than the Minimum Project), unless the Agency, exercising commercially reasonable discretion, shows that the proposed transferee would have a material adverse impact on the Project.

All other Transfers shall be subject to the Agency's approval, which shall not be unreasonably withheld, conditioned or delayed.

In no event shall the Developer engage in a Transfer which will result in the person or entity with the obligations under the Public Parking Ground Lease or Public Parking Maintenance Agreement not being the owner of all or substantially all of the retail portion of the Project.

6.02 Effectuation of Transfers.

A Transfer approved by the Agency or permitted pursuant to Sections 6.01 or 6.03 shall be accomplished pursuant to documentation providing for the transferee to undertake and assume the relevant rights and obligations under this Agreement. If a Transfer is otherwise a Transfer permitted under this Agreement, then the transferor shall be released from all obligations related to the portion(s) of the Project upon such Transfer provided the remaining obligations of the Developer relating thereto are expressly assumed by said Transferee. Promptly following any Transfer, Developer shall provide to the Agency any information reasonably necessary to determine the ownership percentage under Section 6.01(d). Any portions of the Project shall be transferred subject to applicable existing entitlements.

6.03 Certain Permitted Transfers.

Notwithstanding the provisions of Section 6.01, the Developer, without the approval of the Agency pursuant to Section 6.01, may engage in the following Transfers:

(a) A lease of space in the Private Improvements for occupancy upon completion.

(b) A security interest or mortgage in the Private Improvements Parcel and/or the Public Parking Construction Lease in connection with the financing approved by the Agency pursuant to Section 3.08 or a security interest or mortgage created after the issuance of a Certificate of Completion.

(c) Any Transfer occurring following the end of the period that Developer receives Annual Payments pursuant to Section 8.01.

ARTICLE 7.

REPRESENTATIONS, WARRANTIES, AND COVENANTS

7.01 Agency Representations and Warranties.

The representations and warranties of the Agency in this Section 7.01 are a material inducement for Developer to enter into this Agreement. Developer would not purchase