GUARANTY OF CGW/EGW LIQUIDATED DAMAGES

THIS GUARANTY OF LIQUIDATED DAMAGES ("**Guaranty**"), dated as of October 23 2012, is executed and delivered by PROLOGIS, L.P., a Delaware limited partnership qualified to transact business in California ("**Guarantor**"), in favor of the CITY OF OAKLAND, an independent municipal corporation ("**City of Oakland**") and the Oakland Redevelopment Successor Agency ("**ORSA**") (together, for ease of reference in the body of this Agreement only, "**City**"), with reference to the facts set forth in the Recitals below. Guarantor and City are hereinafter sometimes referred to individually as a "party" and collectively as the "parties." Unless otherwise defined herein, all capitalized terms used in this Guaranty shall have the same meanings set forth in the LDDA (as defined in the first Recital below):

RECITALS

WHEREAS, Guarantor is an Affiliate of Prologis CCIG Oakland Global, LLC, a Delaware limited liability company, ("**Developer**"), and is willing to execute and deliver this Guaranty for the express and intended purpose of inducing City to enter into that certain Army Base Gateway Redevelopment Project LDDA Development and Disposition Agreement, dated as of October 23, 2012, by and between City and Developer, including all exhibits and schedules attached thereto (the "**LDDA**"), with respect to certain property described in the LDDA and located in the City of Oakland, State of California (the "**Lease Property**"); and

WHEREAS, upon the satisfaction or (where applicable) Developer's waiver of certain conditions precedent set forth in the LDDA, Developer (or its permitted, affiliated assignees/designees) is obligated under the LDDA to ground lease the Lease Property from City in three (3) Phases, and to pay to City the Liquidated Damages, as defined and in the amount, time and manner set forth in the LDDA, in the event that Developer defaults with respect to its obligations under the LDDA to Close Escrow on the ground lease for each Phase of the Lease Property; and

WHEREAS, concurrently with the Effective Date of the LDDA, Developer is required to deliver to City this guaranty of payment of, as applicable, the EGW Only Liquidated Damages, the CGW Only Liquidated Damages or CWG/EGW Liquidated Damages for the breach of an obligation to Close Escrow on the ground lease for the East Gateway or Central Gateway executed by Guarantor.

NOW, THEREFORE, Guarantor, in order to induce City to execute the LDDA and for other valuable consideration received by Developer and Guarantor, the receipt and adequacy of which are hereby acknowledged, does hereby agrees as follows:

GUARANTY

1. Guaranty. Guarantor hereby unconditionally, absolutely and irrevocably guarantees to City all of the following (collectively, the "**Guaranteed Obligations**"): (a) the payment in full of as applicable, the EGW Only Liquidated Damages, the CGW Only

Liquidated Damages or the CWG/EGW Liquidated Damages for the breach of an obligation to Close Escrow on the ground lease for the East Gateway or Central Gateway in the amount and in the time and manner set forth in the LDDA; and (b) the payment in full of all costs and expenses of City, including but not limited to reasonable attorneys' fees (for attorneys of the Office of City Attorney of the City of Oakland and private attorneys), incurred in the enforcement or collection of as applicable, the EGW Only Liquidated Damages, the CGW Only Liquidated Damages or the CWG/EGW Liquidated Damages.

2. Further Instruments. Guarantor shall execute and deliver to City such further documents, instruments and agreements, upon such terms and conditions, as City may reasonably require, in order to further evidence Guarantor's agreement to satisfy the Guaranteed Obligations as required hereunder.

3. Guarantor Authorizations. Guarantor authorizes City, without giving notice to Guarantor or obtaining Guarantor's consent and without affecting the liability of Guarantor, from time to time, to: (a) amend of modify the terms and conditions of the LDDA; or (b) assign this Guaranty in whole or in part, provided that such assignment is in connection with, and to the transferee of, City's interest in all or any portion of the Lease Property.

4. Requirements for Release. The Guaranteed Obligations shall be deemed to be fully performed, and Guarantor shall be released from any further liability hereunder, upon the satisfaction by Developer or Guarantor, or written waiver by City (which waiver shall be in City's sole and absolute discretion), of all of the following requirements (the "**Requirements**"):

4.1 In the event Developer is not in default of its obligations under the LDDA to Close Escrow on the ground lease for the East Gateway and Central Gateway, then upon the occurrence of either of the following:

4.1.1 The Close of Escrow on the applicable ground lease for both the East Gateway and the Central Gateway; or

4.1.2 The expiration or termination of the LDDA in accordance with the provisions thereof.

4.2 In the event Developer is in default of its obligations under the LDDA to Close Escrow on the ground lease for the East Gateway or Central Gateway, then upon satisfaction in full of the Guaranteed Obligations in accordance with this Guaranty.

5. Termination Instrument. At the request of Guarantor, City agrees to deliver to Guarantor an instrument evidencing the termination of this Guaranty following satisfaction in full of the Guaranteed Obligations and fulfillment of the Requirements as expressly provided above.

6. Independent Obligations. Guarantor's obligations hereunder are independent of the obligations of Developer, or any assignee of the LDDA, and a separate

action or actions maybe brought and prosecuted against Guarantor whether or not action is brought against Developer or any such assignee or whether or not Developer or any such assignee be joined in any such action or actions.

7. Further Authorizations. Guarantor authorizes City, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to (a) extend, accelerate, or otherwise change the time for any payment provided for in the LDDA, or any covenant, term or condition of the LDDA, in any respect to impair or suspend City's remedies or rights against Developer in respect to the LDDA, and to consent to any assignment, or reassignment of the LDDA; (b) take and hold security for any payment provided for in the LDDA or for the performance of any covenant, term or condition of the LDDA, or exchange, waive or release any such security; and (c) apply such security and direct the order or manner of sale thereof as City in its discretion may determine. City may without notice assign this Guaranty, the LDDA, or any sums payable thereunder. Notwithstanding any extension of the LDDA, this Guaranty shall continue until all of the Guaranteed Obligations have been satisfied in full and the Requirements have been fulfilled.

8. Preferential Payments. Guarantor further agrees that to the extent Developer or Guarantor makes any payment to City in satisfaction of any part of the Guaranteed Obligations, and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by City or paid over to a trustee, receiver or any other entity, under any applicable state or federal law, including, without limitation, laws pertaining to bankruptcy, insolvency or other proceeding (any such payment is hereinafter referred to as a "**Preferential Payment**"), then notwithstanding any prior revocation, termination, surrender or discharge of this Guaranty in whole or part, this Guaranty shall continue to be effective or shall be reinstated, as the case may be, and, to the extent of such payment or repayment by City, the Guaranteed Obligations or part thereof intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if said Preferential Payment had not been made.

9. Waivers of Enforcement. Guarantor acknowledges and agrees that the liabilities created by this Guaranty are direct and are not conditioned upon pursuit by City of any remedy City may have against Developer or any other person or any security. Guarantor waives any right to require City to (a) proceed against Developer or any other person or entity; (b) proceed against or exhaust any security held from Developer or Guarantor; (c) pursue any other remedy in City's power which Guarantor cannot itself pursue, and which would lighten its burden; or (d) make any presentment. Guarantor waives any defense arising by reason of any disability or other defense of Developer, or any assignee of the LDDA, by reason of the cessation from any cause whatsoever of the liability of Developer, or any assignee of the LDDA, or by reason of any lack of authority of any officer, director, partner, agent or other person acting or purporting to act on behalf of Developer, or any defect in the formation of Developer. Guarantor waives all demands upon and notices to Developer, or any assignee of the LDDA, and to Guarantor other than as provided herein, including, without limitation, demands for performance, notices of non-

performance, notices of non-payment and notice of acceptance of this Guaranty. Guarantor waives the benefit of any statute of limitations affecting its obligations hereunder or the enforcement thereof.

10. WAIVERS OF STATUTES. WITHOUT LIMITING THE GENERALITY OF ANY OTHER WAIVER OR OTHER PROVISION SET FORTH IN THIS GUARANTY, GUARANTOR HEREBY WAIVES, TO THE MAXIMUM EXTENT SUCH WAIVER IS PERMITIED BY LAW, ANY AND ALL BENEFITS, DEFENSES TO PAYMENT OR PERFORMANCE, OR ANY RIGHT TO PARTIAL OR COMPLETE EXONERATION ARISING DIRECTLY OR INDIRECTLY UNDER ANY ONE OR MORE OF CALIFORNIA CIVIL CODE SECTIONS 2799, 2808, 2809, 2810, 2815, 2819, 2820, 2821, 2822, 2838, 2839, 2845, 2847, 2848, 2849, AND 2850.

11. Waivers of Subrogation. Until such time as the Guaranteed Obligations have been performed in full, Guarantor waives any and all rights to be subrogated to the position of City or to have the benefit of any lien, security interest or other guaranty now or later held by City for the Guaranteed Obligations or to enforce any remedy which City now or later has against Developer or any other person. Guarantor agrees that until such time as the Guaranteed Obligations have been performed in full and the period of time has expired during which any payment made by Developer, any assignee of the LDDA, or Guarantor to City on account of the Guaranteed Obligations may be determined to be a Preferential Payment, any claim or other rights which Guarantor may now have or hereafter acquire against Developer, any assignee of the LDDA, or any other guarantor of all or any of the Guaranteed Obligations that arise from the existence or performance of Guarantor's obligations under this Guaranty or any other document executed in connection with the LDDA, and under any extensions, renewals or modifications thereof (all such claims and rights are referred to as "**Guarantor's Conditional Rights**"), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, or indemnification, any right to participate in any claim or remedy of City against Developer or any assignee of the LDDA or any collateral which City now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including without limitation, the right to take or receive from Developer or any assignee of the LDDA, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights, shall be subordinate to City's right to full performance of the Guaranteed Obligations, and Guarantor shall not enforce Guarantor's Conditional Rights during such period. If, notwithstanding the foregoing provision, any amount shall be paid to Guarantor on account of Guarantor's Conditional Rights and either (i) such amount is paid to Guarantor at any time when the Guaranteed Obligations shall not have been paid or performed in full, or (ii) regardless of when such amount is paid to Guarantor, any payments made by Developer or any assignee of the LDDA to City on account of the Guaranteed Obligations is at any time determined to be a Preferential Payment, then such amount paid to Guarantor shall be held in trust for the benefit of the City and shall forthwith be paid to City to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in such order as City in its sole and absolute discretion, shall determine. Guarantor represents, warrants and covenants that (a) there do not now exist any agreements between Guarantor and Developer which are inconsistent with the

waiver of subrogation contained herein, (b) Guarantor will not hereafter enter into any such agreements with Developer, and (c) any such purported agreements are void.

12. Subordination. To the extent that any of the provisions of the immediately preceding paragraph shall not be enforceable, Guarantor agrees that until such time as the Guaranteed Obligations have been paid and performed in full and the period of time has expired during which any payment made by Developer, any assignee of the LDDA, or Guarantor to City on account of the Guaranteed Obligations may be determined to be a Preferential Payment, Guarantor's Conditional Rights to the extent not validly waived shall be subordinate to City's right to full performance of the Guaranteed Obligations, and Guarantor shall not enforce Guarantor's Conditional Rights during such period.

13. Obligations to Cure Developer Defaults. Within thirty (30) days after Guarantor's receipt of written notice from City of any default by Developer under the LDDA pertaining to any of the Guaranteed Obligations, Guarantor shall cure or cause Developer to cure any such monetary default and any other such Developer defaults that are reasonably susceptible of cure by Guarantor within such period, subject to delays for Force Majeure. For purposes of determining the defaults which are reasonably susceptible of cure by Guarantor, the fact that Guarantor controls Developer or a member or Affiliate of Developer will be taken into account, and any defaults that Guarantor is able to cure within such period through the legal, valid and reasonable exercise of such control shall be deemed curable by Guarantor.

14. Attorneys' Fees. Guarantor agrees to pay reasonable attorneys' fees (both fees for attorneys of the Office of City Attorney of the City of Oakland and private attorneys) and all other costs and expenses which may be incurred by City in the enforcement of this Guaranty or otherwise arising out of the subject matter of this Guaranty. For purposes of this Guaranty, the reasonable fees of attorneys of the Office of City Attorney of the City of Oakland shall be based on the fees then regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which such services were rendered who practice in the City of Oakland in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

15. No Waiver. No right or power of City shall be deemed to have been waived by any act or conduct on the part of City, or by any neglect to exercise such right or power, or by any delay in so doing; and every right and power of City shall continue in full force and effect until such right or power is specifically waived by an instrument in writing executed by City.

16. No Assignment. Guarantor shall not assign or delegate, in whole or in part, any of its rights or obligations under this Guaranty. Subject to the preceding sentence, this Guaranty shall bind Guarantor, its successors and assigns, and shall inure to the benefit of City, and its successors and assigns.

17. Governing Law. This Guaranty is entered into in the City of Oakland and each and every term and provision thereof shall be construed in accordance with the laws of the State of California, without reference to its conflict of laws provisions.

18. Guarantor Knowledge. Guarantor warrants and agrees that each of the waivers set forth in this Guaranty is made with Guarantor's full knowledge of its significance and consequences, and that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of said waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the maximum extent permitted by law.

19. Notice. Any notice to be given City hereunder shall be given at the address and in the manner set forth in Section 10.3 of the LDDA. Any notice to be given Guarantor shall be given at the address set forth below Guarantor's signature and in the manner set forth in Section 10.3 of the LDDA.

20. Representations and Warranties. Guarantor represents, warrants and covenants that (i) it has full power and authority to execute, deliver and perform its obligations under this Guaranty, (ii) the execution, delivery and performance has been duly authorized by all requisite action on its part, (iii) this Guaranty constitutes the valid, legal and binding obligation of Guarantor, (iv) there are no actions, suits or proceedings pending, or to the knowledge of Guarantor threatened against or affecting Guarantor which could have a material adverse effect on the ability of Guarantor to honor its obligations hereunder, or involving the validity or enforceability of this Guaranty, at law or in equity, (v) the consummation of the transaction hereby contemplated and performance of this Guaranty will not result in the breach of, or constitute a default under, any mortgage, deed of trust, LDDA, bank loan or credit agreement, partnership agreement, corporate charter, bylaws or other agreement or instrument to which Guarantor is a party or by which it is or may be bound or affected, and (vi) Guarantor has no counterclaims, offsets or defenses with respect to this Guaranty.

21. Independent Investigation. Guarantor delivers this Guaranty based solely on its independent investigation of the financial condition and capabilities of Developer and is not relying on any information furnished by City. Guarantor assumes full responsibility for obtaining any further information concerning Developer's financial condition and capabilities or any other matter that Guarantor may deem necessary or appropriate from time to time. Guarantor waives any duty on the part of City, and agrees that it is not relying upon nor expecting City to disclose to Guarantor any fact now or later known by City, whether relating to the operations or condition of Developer, the existence, liabilities or financial condition or capabilities of any other party, the occurrence of any default with respect to the Guaranteed Obligations, or otherwise, notwithstanding any effect these facts may have upon Guarantor's risk under this Guaranty or Guarantor's rights against Developer. Guarantor knowingly accepts the full range of risk encompassed by the scope of this Guaranty, including without limitation, the possibility that Developer will incur obligations for which Guarantor will be liable under this Guaranty after Developer's financial condition or ability to pay its lawful debts when they fall due has deteriorated.

Guarantor agrees that no security now or later held by City for the performance of the Guaranteed Obligations, whether from Developer, any guarantor or surety, or otherwise, and whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, shall affect in any manner the unconditional obligation of Guarantor under this Guaranty, and City, in its sole discretion, without notice to Guarantor, may release, exchange, enforce and otherwise deal with any security without affecting in any manner the unconditional obligation of Guarantor under this Guaranty.

22. Review of LDDA. Guarantor has received a copy of the LDDA, as executed or in the form to be executed, and is satisfied with all of the terms and conditions thereof (to the extent that same are applicable to the Guaranteed Obligations). In executing and delivering this Guaranty, Guarantor has relied on its own review of the LDDA and not on any representation or statement of City or any other person.

23. Jurisdiction and Venue. Guarantor hereby irrevocably submit to the jurisdiction and venue of any State court in Oakland, California, in any action or proceeding brought to enforce or otherwise arising out of or related to this Guaranty and irrevocably waive to the fullest extent permitted by law any objection which Guarantor may now or hereafter have to the resting of such jurisdiction and venue in such forum, and hereby further irrevocably waives any claim that such forum is an inconvenient forum.

24. Entire Agreement/Amendment. Except as otherwise expressly set forth herein, this Guaranty, including all recitals, exhibits and schedules hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous understandings, correspondence, negotiations, representations, promises and agreements, oral or written, by or between the parties, with respect to the subject matter hereof. This Guaranty may be amended, modified, or supplemented only by a writing signed by both parties.

25. Counterparts. This Guaranty, and all amendments and supplements to it, may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. The parties shall be entitled to rely upon facsimile copies or electronic copies of a party's signature to this Guaranty and any instrument executed in connection herewith.

26. Severability. If any of the provisions contained in this Guaranty shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Guaranty, and this Guaranty shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in this Guaranty.

27. Interpretation. Captions and headings in this Guaranty are for convenience of reference only and shall not affect the meaning or interpretation of any provision of this Guaranty. As used herein: (a) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where the context so requires; (b) locative adverbs such as "herein," "hereto," and "hereunder" shall

refer to this Guaranty in its entirety and not to any specific section or paragraph; (c) the terms "include," "including," and similar terms shall be construed as though followed immediately by the phrase "but not limited to;" (d) "shall," "will," "must," "agrees," and "covenants," are mandatory and "may" is permissive; and (e) "or" is not exclusive. The parties have jointly participated in the negotiation and drafting of this Guaranty, and this Guaranty shall be construed fairly and equally as to the parties, without regard to any rules of construction relating to the party who drafted a particular provision of this Guaranty.

28. No Third Party Beneficiaries. This Guaranty is made solely for the benefit of the parties to this Guaranty and their respective successors and permitted assigns, and no other person or entity shall have or acquire any rights or remedies under this Guaranty, except as otherwise expressly provided in this Guaranty.

29. Adequate Consideration. Guarantor represents and warrants that it has received adequate and sufficient consideration for the Guaranteed Obligations incurred under this Guaranty.

[Signatures on next page]

IN WITNESS WHEREOF, Guarantor has executed and delivered this Guaranty as of the date first set forth above.

GUARANTOR:

PROLOGIS, L.P.,
a Delaware limited liability company qualified to transact business in California

By: Prologis, Inc., a Maryland corporation qualified to transact business in California

Its: General Partner

By: Mark Hansen

Name:

Title: Sr Vice President

Address for Notices to Guarantor:

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ACCEPTED BY CITY OF OAKLAND

By: Deanna Santana

Name: Deanna Santana

Its: City Administrator

Approved as to form:

Barbara J. Parker

~~Deputy~~ City Attorney