

EXHIBIT P

RECOGNITION AGREEMENT (Former Mathilda Parking Structures Sites)

This Agreement is made as of February _____, 2007 by and between the Sunnyvale Redevelopment Agency ("Agency"), a public body corporate and politic, and Downtown Sunnyvale Mixed Use, LLC ("Operator"), a Delaware limited liability company, with respect to the following:

A. The Agency owns certain real property in the City of Sunnyvale, County of Santa Clara, California more particularly described as Parcel 3 and Parcel 5 as shown on the subdivision map filed on May 25, 2000 in Book 728 of Maps at pages 6-9 in the Official Records of Santa Clara County, California (the "Premises").

B. The Agency had leased the Premises and other property to the City of Sunnyvale (the "City") pursuant to a Facility Lease dated as of March 1, 1998 (the "Facility Lease"). The City in turn subleased the Premises and other property to the Operator pursuant to the Agreement for Sublease, Operation and Maintenance of Parking Facilities dated March 1, 1978 between the City and Operator's predecessors, as amended (the "Sublease"). The original Sublease was recorded on July 27, 1978 in the Official Records of Santa Clara County at Book D842, page 315, and was amended by the Agreement Regarding Sublease recorded on April 1, 1998 in the Official Records of Santa Clara County as Document No. 14121325, and was amended by the Second Amendment to Sublease recorded on May 25, 2000 in the Official Records of Santa Clara as Document No. 15261171.

C. On or about July 1, 2005, the City and the Agency terminated the Facility Lease with respect to the Premises, although the Facility Lease remains in effect with respect to other property.

D. The Agency and the Operator desire to provide for the continued performance of the obligations under the Sublease subject to certain limitations set forth in this Agreement.

THEREFORE, Agency and Operator agree as follows:

Section 1. Recognition of Operator as Tenant.

Notwithstanding the termination of the Facility Lease with respect to the Premises, the Agency and Operator agree to recognize the Sublease as a direct lease between the Agency as landlord and the Operator as tenant and to recognize the Agency as the landlord thereunder and to recognize the Operator as the tenant thereunder. Except as provided otherwise in this Agreement, the Sublease is and shall remain in full force and effect and unaffected by the termination of the Facility Lease with respect to the Premises. The Agency hereby acknowledges and agrees that, as of the date of this

Agreement, there is no uncured default or failure under the Sublease and no rent or other amount is owing from Operator to Agency under the Sublease.

Section 2. Interim Obligations.

Prior to the date of this Agreement, the parking structure improvements on the Premises were demolished and, as a result, the improvements on the Premises consist primarily of surface paving that is potentially available for parking. The Agency and Developer have entered into an Amended and Restated Disposition and Development and Owner Participation Agreement dated February 6, 2007 (the "DDOPA"), pursuant to which the Operator expects to develop new improvements on the Premises and adjacent property. Pursuant to the DDOPA, upon the Closing (as defined in the DDOPA), the Agency and the Operator will enter into new agreements governing the Premises and the management and operation of the future improvements thereon. In the interim period until the earlier of the Closing or termination of the DDOPA prior to the Closing, the following shall apply:

- (a) The Operator shall not be obligated to pay any rent to the Agency.
- (b) The Operator may, but shall not be obligated, to make the Premises available for public parking.
- (c) The Operator's repair, maintenance and operation obligations as set forth in Section 5 of the Sublease shall be limited to those activities necessary for any interim parking use.
- (d) In the event that the Operator undertakes construction on the Premises as is permitted under the DDOPA prior to the Closing, the Operator shall manage and secure the Premises so as to minimize risk of injury to persons and property in the vicinity of the Premises.

Section 3. Miscellaneous.

- (a) This Agreement supersedes any inconsistent provision of the Sublease.
- (b) This Agreement shall not be canceled, modified or amended orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors or assigns.
- (c) This Agreement shall not be canceled, modified or amended orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors or assigns.
- (d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (including, without limitation, any permitted assignees of Operator's interest in the Sublease).

- (e) This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- (f) This Agreement may be executed in any number of counterparts, all of which, together, shall constitute but one and the same agreement.
- (g) Agency and Operator agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the parties or otherwise effectuate the terms of this Agreement.
- (h) The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof
- (i) If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to any person or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

In witness whereof, the parties have executed this Agreement as of the date first written above:

THE SUNNYVALE REDEVELOPMENT
AGENCY

By: _____
Name: _____
Its: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Counsel

DOWNTOWN SUNNYVALE MIXED
USE, LLC, a Delaware limited liability
company

By: _____
Name: _____
Its: _____