

**City & County of San Francisco**  
London N. Breed, Mayor



**Office of the City Administrator**  
Carmen Chu, City Administrator  
Andrico Q. Penick, Director of Real Estate

VIA EMAIL AND  
FIRST-CLASS US MAIL, CERTIFIED & RETURN RECEIPT REQUESTED

May 13, 2021

TC II 888 Post, LLC  
Tidewater Capital, LLC  
Attn: Craig M. Young  
564 Market Street, Suite 225  
San Francisco, CA 94104

**RE: Master Lease dated January 13, 2020 (the "Lease") between TC II 888 Post, LLC ("Landlord") and the City and County of San Francisco ("City") for the real property located at 888 Post Street, San Francisco, California ("Premises"); Exercise of Purchase Option**

Dear Craig:

As you know, under Section 22.1 of the Lease, Landlord granted the City an option to purchase the Premises for a purchase price of \$29,000,000. Section 22.1 requires that the City's exercise of the option must be early enough to allow the acquisition to close by August 1, 2022 and give Landlord at least 270 days' notice before the City's intended closing date. The exercise notice must include the completed purchase and sale agreement in the form of Exhibit G attached to the Lease (the "PSA").

As Josh Keene recently discussed with Ross Stackhouse, the parties are beginning the process to close the transaction in the Fall 2021 (specifically targeting the date that is on or before August 31<sup>st</sup>). Ross indicated that this date is acceptable to Landlord. While that date is nearly one year before the outside date to acquire the Premises exercise, it is also before 270 days will have elapsed from the date of this notice. On that basis and in order to effectuate the intended closing schedule, please consider this notice as City's exercise of its purchase option under the Lease, provided that Landlord will waive the 270-day prior notice requirement. To acknowledge the City's exercise of the purchase option and to confirm Landlord's waiver of the 270-day prior notice requirement, please countersign this letter where indicated below, and execute the enclosed completed PSA and return one original of each to Josh Keene at your earliest convenience. The PSA will be effective as of the date Landlord countersigns this notice.

As set forth in the Lease and the PSA, the City's purchase of the Property is subject to the City's approval of an appraisal, the title to the Property, and any environmental and other investigation of the Property that the City may deem appropriate; approval by the City's Board of Supervisors and its Mayor at their respective sole discretion and adoption of a

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resolution authorizing purchase; and appropriation all necessary funds, in the time provided in the PSA. As has been the case throughout this partnership, Josh and other applicable representatives from the City will continue to stay in communication with you and your team over the coming months and specifically, apprise you of any issues that may arise.

As provided in the Lease, the Lease, including City's obligation to pay rent will continue in full force and effect until terminated (whether expressly under terms of this Lease, or by merger or otherwise as a matter of law).

Please contact me or Josh if you have any questions or concerns.

Sincerely,

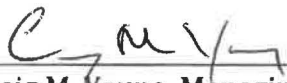


Andrico Q. Penick  
Director of Real Estate

**ACKNOWLEDGED AND AGREED**

Landlord (1) waives the requirements for 270 days' prior notice to Landlord of the City's intended closing date, as set forth in Section 22.1(a) of the Lease, (2) acknowledges City's exercise of its purchase option under Section 22.1 of the Lease, and (3) agrees that the PSA is in force and effect as of the date under Landlord's signature below.

TC II 888 Post, LLC,  
a Delaware limited liability company

By:   
Craig M. Young, Managing Member

Date: 5/14/21

cc: Ross Stackhouse (by email [rstackhouse@tidewatercap.com](mailto:rstackhouse@tidewatercap.com))  
Josh Keene (by email [joshua.keene@sfgov.org](mailto:joshua.keene@sfgov.org))  
Virginia Waller (by email [vwaller@rodriguezwright.com](mailto:vwaller@rodriguezwright.com))  
Eileen Chauvet ([eileen.chauvet@sfcityatty.org](mailto:eileen.chauvet@sfcityatty.org))

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