

File No. 240064

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date March 6, 2024

Board of Supervisors Meeting Date _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Original Property Exchange Agreement 7/30/2020</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Amendment No. 1 7/27/2022</u>
<input type="checkbox"/>	<input type="checkbox"/>	_____
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Completed by: Brent Jalipa Date February 29, 2024

Completed by: Brent Jalipa Date _____

1 [Property Exchange Agreement Amendment - Retroactive - EQX Jackson SQ Holdco LLC -
2 Potential Exchange of 530 Sansome Street for a Portion of 425-439 Washington Street]

3 **Resolution retroactively approving a second amendment to the Conditional Property**
4 **Exchange Agreement with EQX Jackson SQ Holdco LLC to extend the anticipated**
5 **initial closing date to December 15, 2026, a three-year extension, for a transfer of City**
6 **real property at 530 Sansome Street (Assessor's Parcel Block No. 0206, Lot No. 017),**
7 **under the jurisdiction of the Fire Department, in exchange for a portion of the real**
8 **property at 425-439 Washington Street (Assessor's Parcel Block No. 0206, Lot Nos. 013**
9 **and 014); authorizing the Director of Property and City staff to proceed with the**
10 **proposed Fire Station development project; and authorizing the Director of Property to**
11 **enter into any additions, amendments, or other modifications to the agreement that do**
12 **not materially increase the obligations or liabilities, or materially decrease the benefits**
13 **to the City.**

14
15 WHEREAS, The City and County of San Francisco, under the jurisdiction of the Fire
16 Department, owns certain real property known as 530 Sansome Street (Assessor's Parcel
17 Block No. 0206, Lot No. 017; the "City Property"), an approximately 8,700 square foot parcel
18 improved with Fire Station 13; and

19 WHEREAS, EQX Jackson SQ Holdco LLC, a Delaware limited liability company
20 ("Developer"), owns certain adjacent real property known as 425-439 Washington Street,
21 Assessor's Parcel Block No. 0206, Lot Nos. 013 and 014 ("Developer's Property"); and

22 WHEREAS, The City wishes to replace the existing fire station located on the City
23 Property; and

24 WHEREAS, On April 30, 2019, the Board of Supervisors adopted Resolution No. 220-
25 19 approving a conditional property exchange agreement (the "Conditional Property

1 Exchange Agreement” or “CPEA”) for the planning and potential exchange of the City
2 Property for a new fire station to be completed by Developer; and

3 WHEREAS, Under the Conditional Property Exchange Agreement, Developer intends
4 to build a new four-story, 19,266 gross square foot fire station building (the “New Fire Station”)
5 on a future legal parcel of approximately 5,643 square feet at Washington Street mid-block
6 between Sansome Street and Battery Street (the “Exchange Parcel”), and a new vertically-
7 integrated mixed-use high-rise at the southeast corner of Sansome Street and Washington
8 Street to contain either lower level lobby space, ground floor and rooftop restaurant spaces, a
9 health club of approximately 35,000 square feet, a 200 room hotel and approximately 40,000
10 square feet of offices, or a proposed residential variant of similar building design, height and
11 bulk, but with approximately 256 residential units instead of the hotel, office, fitness center,
12 and retail/restaurant uses (the “Tower Project”; together with the New Fire Station
13 development project, the “Combined Project”); and

14 WHEREAS, On June 2, 2020, the Board of Supervisors adopted Resolution No. 242-
15 20 approving certain updates to the Conditional Property Exchange Agreement; and

16 WHEREAS, On November 30, 2021, the Board of Supervisors adopted Resolution No.
17 543-21 which ratified the Architect Contract, Ground Lease, Construction Contract,
18 Construction Management Agreement, Completion Guaranty, Reciprocal Easement
19 Agreement, as well as an amendment of the Conditional Exchange Agreement to extend the
20 time periods for the approval of the above documents; and

21 WHEREAS, The Developer proposes a second amendment to the CPEA which would
22 amend Section 9.2(a) to extend the Anticipated Initial Closing Date to December 15, 2026, a
23 copy of which is on file with the Clerk of the Board of Supervisors in File No. 211087 and are
24 incorporated herein by reference; and
25

1 WHEREAS, The three year extension is needed due to the Developer's inability to
2 secure favorable construction financing as a result of current market conditions; and

3 WHEREAS, The City has no objections to the requested extension; now, therefore, be
4 it

5 RESOLVED, That the Board of Supervisors hereby approves and adopts the second
6 amendment to the Conditional Exchange Agreement and authorizes the Director of Property
7 and City staff to proceed with the proposed transaction in accordance with the terms of the
8 Conditional Exchange Agreement; as amended; and, be it

9 FURTHER RESOLVED, The Director of Property, at his or her discretion and in
10 consultation with the City Attorney, is authorized to enter into any additions, amendments or
11 other modifications to the Conditional Exchange Agreement and Related Transaction
12 Documents that the Director of Property determines are in the best interests of the City and
13 that do not materially increase the obligations or liabilities of the City or materially decrease
14 the benefits to the City; and, be it

15 FURTHER RESOLVED, That within thirty (30) days of the Conditional Property
16 Exchange agreement being fully executed by all parties, the Director of Property shall provide
17 a copy of the agreement to the Clerk of the Board to include into the official file.

18
19 RECOMMENDED:
20
21

22 /s/ _____
23 Andrico Q. Penick
24 Director of Property
25 Real Estate Division

SECOND AMENDMENT TO CONDITIONAL PROPERTY EXCHANGE AGREEMENT

THIS SECOND AMENDMENT TO CONDITIONAL PROPERTY EXCHANGE AGREEMENT (this “**Second Amendment**”) is entered into as of the ___ day of February, 2023 (the “**Effective Date**”), by and between EQX JACKSON SQ HOLDCO LLC, a Delaware limited liability company (“**Developer**”), and CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), with reference to the recitals set forth below.

RECITALS

A. Developer and City are parties to that Conditional Property Exchange Agreement dated as of July 30, 2020, as amended by that certain First Amendment to Conditional Property Exchange Agreement, dated as of July 27, 2022 (as amended, the “**CPEA**”). All initially-capitalized terms not otherwise defined herein have the meanings set forth in the CPEA unless the context clearly indicates otherwise.

B. Developer and City have agreed to modify the terms of the CPEA as set forth in this Second Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intended to be legally bound, Developer and City agree as follows:

1. **Recitals.** The Recitals set forth above are hereby incorporated herein by reference as if the same were fully set forth herein.
2. **Initial Closing Date.** Developer and City agree that the Initial Closing will occur on or before December 15, 2026. The first sentence of Section 9.2(a) is amended to read as follows: “The sale and transfer of the leasehold estate in the Existing City Property (including all improvements situated thereon) to the Developer by the City pursuant to the Ground Lease, all as contemplated under this Agreement (the “**Initial Closing**”), shall be held, and delivery of all items to be made at the Initial Closing under the terms of this Agreement shall be made, at the offices of Title Company on a date (the “**Anticipated Initial Closing Date**”) that is after the Agreement Ratification Date and on or before December 15, 2026.”
3. **Ratification.** City acknowledges and agrees that it has, pursuant to Resolution No. 543-21 and Resolution No. _____, approved and ratified the CPEA and this Second Amendment.
4. **Effectiveness of Agreement.** Except as modified by this Second Amendment, all the terms of the CPEA shall remain unchanged and in full force and effect.
5. **Counterparts.** This Second Amendment may be executed in counterparts, and all counterparts together shall be construed as one document.
6. **Electronic Signatures.** The words “execution,” “signed,” “signature,” and words of like import in this Second Amendment shall include images of manually executed signatures transmitted by facsimile or “pdf” or an electronic signature executed through DocuSign

with multifactor authentication. The use of electronic signatures and electronic records through DocuSign with multifactor authentication (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including, without limitation and to the extent applicable, the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, and any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. The parties hereby waive any defenses to the enforcement of the terms of this Second Amendment due to its execution through DocuSign with multifactor authentication, and hereby agree that electronic signatures through DocuSign with multifactor authentication shall be conclusive proof, admissible in judicial proceedings, of the parties' execution of this Second Amendment.

7. **Successors and Assigns.** All of the terms and conditions of this Second Amendment shall apply to benefit and bind the successors and assigns of the respective parties.

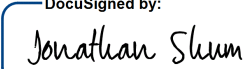
IN WITNESS WHEREOF, Developer and City have entered into this Second Amendment as of the Effective Date.

[SIGNATURES ON NEXT PAGE]

Execution Version

“DEVELOPER”

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

DocuSigned by:

By: _____
Name: Jonathan Shum,
Its: Vice President

Execution Version

“CITY”

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick,
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Carol Wong, Deputy City Attorney

CONDITIONAL PROPERTY EXCHANGE AGREEMENT

by and between

**EQX JACKSON SQ HOLDCO LLC,
as Developer**

and

**CITY AND COUNTY OF SAN FRANCISCO,
as the City**

For the improvement and exchange of

**530 Sansome Street and 425-439 Washington Street
San Francisco, California**

July 30, 2020

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LIST OF EXHIBITS

- Exhibit "A" – Legal Description of Existing City Property
- Exhibit "B" – Legal Description of Existing Developer Property
- Exhibit "C" – Project Budget
- Exhibit "D" – [Intentionally deleted]
- Exhibit "E" – First Source Hiring and Local Hiring Requirements
- Exhibit "F" – Depiction of Easement Areas for Tower Project Easement Agreement
- Exhibit "G" – Depiction of Easement Areas for Reciprocal Easement Agreement
- Exhibit "H-1" – Form of Fire Station Deed
- Exhibit "H-2" – Form of City Property Deed
- Exhibit "I-1" – Accepted Developer Conditions of Title
- Exhibit "I-2" – Accepted City Conditions of Title
- Exhibit "J" – List of Material Developer Documents in Developer's Possession
- Exhibit "K-1" – Form of Closing Certificate to be Delivered by Developer at Initial Closing
- Exhibit "K-2" – Form of Closing Certificate to be Delivered by Developer at Final Closing
- Exhibit "L-1" – Form of Closing Certificate to be Delivered by City at Initial Closing
- Exhibit "L-2" – Form of Closing Certificate to be Delivered by City at Final Closing
- Exhibit "M-1" – Form of FIRPTA Affidavit by City at Final Closing
- Exhibit "M-2" – Form of FIRPTA Affidavit by Developer at Final Closing
- Exhibit "N-1" – Developer's General Disclosures
- Exhibit "N-2" – Developer's Environmental Disclosures
- Exhibit "O" – City's General Disclosures
- Exhibit "P" – Form of Memorandum of Conditional Exchange Agreement
- Exhibit "Q" – Form of Assignment of Conditional Property Exchange Agreement
- Exhibit "R" – Description of Existing Lease

CONDITIONAL PROPERTY EXCHANGE AGREEMENT
(530 Sansome Street and 425-439 Washington Street, San Francisco)

THIS CONDITIONAL PROPERTY EXCHANGE AGREEMENT (this "**Agreement**") dated for reference purposes only as of July 30, 2020, is by and between EQX JACKSON SQ HOLDCO LLC, a Delaware limited liability company ("**Developer**"), and the CITY AND COUNTY OF SAN FRANCISCO, a Charter city and county (the "**City**").

RECITALS

A. City owns that certain improved real property at 530 Sansome Street in San Francisco (Lot 17, Block 0206), as more particularly described in Exhibit A (the "**Existing City Property**"), and Developer owns that certain improved real property adjacent to the Existing City Property at 425-439 Washington Street (Lots 13 and 14, Block 0206), as more particularly described in Exhibit B (the "**Existing Developer Property**").

B. The Existing City Property is improved with a fire station that City wants to replace, and the Existing Developer Property is currently improved with a 2-story building and a 3-story building.

C. If the CEQA Date (as defined in Section 1.6 below) and the Agreement Ratification Date (as defined in Section 1.7 below) occur, Developer and City are interested in the following:

(i) having a lot line adjustment or subdivision processed with respect to the Existing City Property and Existing Developer Property that results in the Existing City Property and the Existing Developer Property collectively being comprised of one or more parcels collectively comprising approximately 9,873 square feet at the corner of Washington and Sansome Streets (the "**New Developer Parcel**") and one approximately 7,860 square foot legal parcel (the "**New City Parcel**");

(ii) having the City ground lease to the Developer the Existing City Property pursuant to the terms of the Ground Lease (as such term is defined in Section 2.10 below) so Developer can construct a new tower with a hotel, a health sports club, and office space (or residential condominiums subject to market conditions) on the New Developer Parcel (the "**Tower Project**") at Developer's sole cost;

(iii) having Developer construct a new fire station on the New City Parcel (the "**Station Project**") at Developer's sole cost, subject to any City election (in its sole discretion) to contribute to any Station Project costs that exceed the Maximum Cost, as defined in Section 2.1(b) herein, and in accordance with the terms and conditions of this Agreement; and

(iv) on completion of the Station Project, transferring title so the New Developer Parcel is owned in fee by Developer and the New City Parcel is owned in fee by City.

D. Developer intends to pursue the following entitlements for the Station Project and the Tower Project (together, the "**Combined Project**"): certification or adoption of a final environmental review document; amendments to the City's General Plan, Planning Code and Zoning Map to adjust height and bulk regulations; Planning Code Section 309 project review approval; a lot line adjustment or subdivision to cause the New Developer Parcel and the New City Parcel to be comprised of separate legal parcels; and demolition and building permits (collectively, the "**Proposed Entitlements**").

E. Pursuant to Resolution No. 242-20, File No. 200425, the City's Board of Supervisors and Mayor have authorized City's Director of Property (the "**Director of Property**") to execute this Agreement.

F. City has not yet completed environmental review under the California Environmental Quality Act ("**CEQA**") (California Public Resources Code Sections 21000 *et seq.*), the CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*), and Chapter 31 of the San Francisco Administrative Code (hereinafter referred to as "**Environmental Review**") for the Combined Project. Section 15004(b)(2) of the CEQA Guidelines directs that "public agencies shall not undertake actions concerning the proposed public project that would have a significant adverse effect or limit the choice of alternatives or mitigation measures, before completion of CEQA compliance. For example, agencies shall not: (A) Formally make a decision to proceed with the use of a site for facilities which would require CEQA review, regardless of whether the agency has made any final purchase of the site for these facilities, except that agencies may designate a preferred site for CEQA review and may enter into land acquisition agreements when the agency has conditioned the agency's future use of the site on CEQA compliance."

G. Section 15004(b)(4) of the CEQA Guidelines provides that "[w]hile mere interest in, or inclination to support, a project does not constitute approval, a public agency entering into preliminary agreements regarding a project prior to approval shall not, as a practical matter, commit the agency to the project. For example, an agency shall not grant any vested development entitlements prior to compliance with CEQA. Further, any such pre-approval agreement should, for example: (i) Condition the agreement on compliance with CEQA; (ii) Not bind any party, or commit to any definite course of action, prior to CEQA compliance; (iii) Not restrict the lead agency from considering any feasible mitigation measures and alternatives, including the "no project" alternative; and (iv) Not restrict the lead agency from denying the project.

H. The parties intend that this Agreement be a conditional land acquisition agreement as described in CEQA Guidelines Section 15004(b)(2)(A) to conditionally designate a preferred site for the Station Project and the City's potential acquisition of the New City Parcel, as improved with the Station Project, on the terms set forth in this Agreement, with compliance with the conditions of CEQA Guidelines Section 15004(b)(2)(A) and Section 15004(b)(4), and the City must complete Environmental Review of the Combined Project before taking any approval action for the Combined Project as set forth in Sections 1.5 through 1.7. The City's obligation to consummate the development and transfer transaction under this Agreement is conditioned upon the City's completion of Environmental Review in compliance with state and local law, and City's election to proceed with this transaction following such completion as set forth in Sections 1.5 through 1.7. The City does not commit to any definite course of action with regard to the Combined Project prior to such CEQA compliance and further, retains its absolute discretion to (i) require modifications to the Combined Project to mitigate significant adverse environmental impacts; (ii) select feasible alternatives that avoid significant adverse impacts of the Combined Project, including the "no project" alternative; (iii) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the Combined Project, as identified through environmental review; (iv) reject all or part of the Combined Project if the economic and social benefits of the Combined Project do not outweigh otherwise unavoidable significant adverse impacts of that project; (v) approve the Combined Project upon a finding that the economic and social benefits of the proposed project outweigh otherwise unavoidable significant adverse environmental impact of that project; and (vi) deny the Combined Project.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Developer and the City agree as follows:

1. ENVIRONMENTAL APPLICATION AND REGULATORY APPROVALS

1.1 Environmental Application and Regulatory Approvals

(a) Regulatory Approvals. Developer submitted applications to the City's Planning Department for environmental review of the Combined Project and the Proposed Entitlements on December 20, 2019, and shall initiate the process for any additional approvals from any local, State or Federal governmental agency having jurisdiction needed to develop the Combined Project (collectively, the "**Regulatory Approvals**"). Developer shall diligently make commercially reasonable efforts to thereafter continue to refine and develop the plans for the Combined Project and prepare, sign and submit such materials and pay such fees as may be necessary to obtain all Regulatory Approvals on or before the Outside CEQA Date (as defined in Section 1.6 below), subject to delay caused by any condition beyond the reasonable control of Developer, including strikes, labor disputes, acts of God, the elements, governmental (local, state and/or federal) restrictions, regulations or controls, governmental (local, state and/or federal) shut downs, medical conditions affecting (or expecting to affect) the general public including, epidemics and pandemics, enemy action, civil commotion, terrorism, fire, casualty, accidents, mechanical breakdowns or shortages of, or inability to obtain, labor, utilities or material (hereinafter referred to as an "**Unavoidable Delay**"). It is understood and agreed that Developer's sole obligation with respect to procuring the Regulatory Approvals is to use commercially reasonable efforts to do so. There are no assurances that Developer will be successful in procuring the Regulatory Approvals and Developer's failure to procure the Regulatory Approvals shall not be considered a default by Developer under the terms of this Agreement.

(b) Collaboration. Developer shall use commercially reasonable efforts to obtain and shall be solely responsible for obtaining all Regulatory Approvals required for the Combined Project. Developer shall not seek any Regulatory Approval from any party other than the City without first notifying the Director of Property. Throughout the Regulatory Approval permit and approval process, Developer shall consult and coordinate with the Director of Property in Developer's efforts to obtain such permits and approvals, and the Director of Property shall cooperate reasonably with Developer. Developer and the City (acting through the Director of Property and a City project manager designated by the Director of Property) agree to work together in good faith to facilitate all environmental review and seek all Regulatory Approvals for so long as this Agreement remains in effect. The parties agree to hold regular meetings, as needed or upon either party's request, so as to coordinate all efforts relating to environmental review and the procurement of Regulatory Approvals. Developer shall not agree to the imposition of conditions or restrictions in connection with a permit or approval from any regulatory agency other than the City without the Director of Property's prior approval, which approval will not be unreasonably withheld.

(c) Project Budget. Throughout the term of this Agreement, Developer shall refine and modify the Combined Project in response to and consistent with the Environmental Review, design and entitlement processes, and consistent with such direction as may be reasonably given by the Director of Property from time to time in order to accommodate the City's operational needs and the projected project budget for the Station Project attached as Exhibit C (the "**Project Budget**"). The parties agree to update the Project Budget, and seek Board of Supervisors' consideration of the same, if the Project Budget exceeds the Maximum Cost on the Agreement Ratification Date. The parties agree to work together with the Architect during the Design and Entitlement Work process described below to revise the Station Project as needed to keep the cost below the Maximum Cost. All submittals for Regulatory Approvals shall be subject to the prior review and approval of the Director of Property. Developer shall not, without the Director of Property's prior written consent or direction, (i) propose material modifications to the Combined Project that would (A) substantively alter the proposed use of the Station Project, (B) materially decrease or increase the proposed height of the Station Project, (C) materially reduce

or increase the square footage of the Station Project, (D) materially impact the Station Project, or (E) result in any portion of the Tower Project being on the New City Parcel other than as permitted in the Tower Project Easement Agreement (as defined in Section 4.2(a) below) and/or the Reciprocal Easement Agreement (as defined in Section 4.2(b) below), or otherwise approved in writing (which approval shall not be unreasonably withheld) by the Director of Property, (ii) take actions or propose designs that would materially increase the cost of developing the Station Project or otherwise increase the Project Budget, or (iii) delay development of, or limit or restrict the availability of, necessary infrastructure serving the Station Project.

1.2 Proprietary Capacity

Developer understands and agrees that the City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Developer understands and agrees that neither entry by the City into this Agreement nor any approvals given by City under this Agreement shall be deemed to imply that Developer will obtain any required Regulatory Approvals from City departments, boards or commissions with jurisdiction over the Combined Project. Nothing in this Agreement shall affect or limit the rights and responsibilities of the City's Planning Department, Planning Commission, other City departments, or its Board of Supervisors with respect to the Regulatory Approvals for some or all of the Combined Project, or their discretionary rights with respect to the review, approval, imposition of conditions, or rejection of any Regulatory Approvals. The City's Regulatory Approvals shall be issued or denied, by the appropriate City department, in keeping with its standards and customary practices and without regard to this Agreement.

1.3 Design and Entitlement Before CEQA Date

(a) Design and Entitlement Work. Developer has prepared, and the City hereby approves, the concept plans for the Station Project submitted by Developer to City on September 27, 2019 (the "**Existing Concept Plans**"). Developer prepared, and the City hereby approves, a detailed cost estimate and schedule for completion of all of the design and engineering work required to obtain final pricing for the Station Project consistent with the Existing Concept Plans and all fees and costs associated with environmental review and the procurement of the Regulatory Approvals to the CEQA Date (collectively, the "**Design and Entitlement Work**"), which cost estimate and schedule shall be a component of the Project Budget (the "**Entitlement Budget**"). The City and the Developer shall work together in formulating a timeline for preparing construction drawings for the Station Project to enable the City and Developer to estimate pricing for the work to be performed under the Construction Contract (as defined in the following subsection) prior to the Agreement Ratification Date. By executing this Agreement, the City authorizes Developer to proceed with the Design and Entitlement Work consistent with the Entitlement Budget, the Existing Concept Plans and this Agreement. Unless otherwise directed by the Director of Property, Developer shall design the Station Project so as to achieve LEED Gold certification. The City will determine, however, whether and when to seek any such certification. The City approves Skidmore, Owings & Merrill (the "**Architect**") as the architect for the Station Project and such other architect as the Developer may hereafter designate with City's approval, which approval shall not be unreasonably withheld by the City. Selection of the general contractor for the Station Project (the "**General Contractor**") shall be subject to City approval of Developer's recommendation, which shall not be unreasonably withheld by the City. During the period that the Design and Entitlement Work is being undertaken, the City and Developer shall work with the Architect and the General Contractor to design the Station Project within the Project Budget.

(b) Project Contracts. Developer shall negotiate for the Station Project, with the City's active participation, (i) a contract between Developer and the Architect (the "**Architect Contract**"), (ii) a not to exceed maximum price contract, or a modified design-build integrated-project delivery contract, between Developer and the General Contractor (the "**Construction Contract**"), and (iii) such other project contracts that Developer determines are necessary and

appropriate to complete the Station Project (each of such contracts referenced in clauses (i), (ii) and (iii), a "**Project Contract**" and collectively, the "**Project Contracts**"). Developer and the City each agree to act reasonably and in good faith to reach agreement on the terms of each Project Contract consistent with the terms of this Agreement and as soon as reasonably possible, except that, with respect to the Architect Contract and Construction Contract, Developer and the City shall have the right to approve the same in their sole and absolute discretion. If Developer and the City cannot reach agreement during negotiations with the Architect, the General Contractor or any other project contractor for the Project Contracts, Developer and the City may agree to begin negotiations with an alternative party acceptable to both. The Project Contracts are each subject to review and approval by Developer and the City, each acting in their reasonable discretion (except as to the Architect Contract and Construction Contract) and taking into account required City contracting requirements; provided if Board of Supervisor approval of the Architect Contract or the Construction Contract is required by ordinance to exempt any City Municipal Code requirement that would otherwise apply, the parties shall use good faith efforts to expedite negotiations and seek Board of Supervisors approval of the required ordinance. If the parties cannot reach agreement on the Architect Contract or the Construction Contract on or before the five (5) month anniversary of the Effective Date (the "**First Approval Deadline**"), then either party may terminate this Agreement upon thirty (30) days' notice to the other party. For purposes of this Agreement, a "**Pre-Approved Project Contract**" shall mean any Project Contract which is less than \$50,000 and includes the applicable provisions set forth in Section 2.9. City acknowledges and agrees that, as to the approval by the City and the Developer of the Construction Contract, only the form of the Construction Contract, and not the final version of the Construction Contract with the final construction costs, the exclusions from the Maximum Cost, the insurance coverages and the identity of the contractor, need be approved by the First Approval Deadline. If the City and Developer do not approve of the final version of the Construction Contract at least ninety (90) days prior to the Initial Closing Date, either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party within sixty (60) days prior to the Initial Closing Date.

If the Developer and Director of Property agree on the forms of the Architect Contract and the Construction Contract on or before the First Approval Deadline, the Director of Property shall submit such forms for consideration by the City's Board of Supervisors within the thirty (30) day period immediately following the First Approval Deadline. If the City's Board of Supervisors does not conditionally approve either contract (in its sole and absolute discretion) subject to ratification on the Agreement Ratification Date, then the parties shall seek in good faith to negotiate such changes as may be necessary to obtain the Board of Supervisor's conditional approval for a period of not less than sixty (60) days. If the parties are unable to agree to such changes in their sole and absolute discretion, or the City's Board of Supervisors does not approve of such changed forms in its sole and absolute discretion, either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party before the Agreement Ratification Date. Any Project Contract conditionally approved by the City's Board of Supervisors shall be subject to final ratification or rejection by the City's Board of Supervisors on the Agreement Ratification Date and any revisions required under all applicable City laws and regulations that are in effect at the time such Project Contract is fully executed except to the extent they are waived by the City's Board of Supervisors or other City official, department, agency or commission with such waiver authority; provided, however, the Developer shall have the right, in its sole and absolute discretion, to approve of any of such revisions and, if the Developer does not approve of any of such revisions, Developer shall have the right to terminate this Agreement by delivering written notice of such termination to the City before the Initial Closing Date.

(c) Changes to the Size of the Station Project. In connection with completion of the Design and Entitlement Work, the City may increase the overall footage of the Station Project by up to five percent (5%) with the approval of Developer and a commensurate increase in the Project Budget, which approval shall not be withheld unless the increase would (i) reduce the size of or otherwise materially negatively impact the Tower Project, (ii) materially impact the

timing or process of procuring the Proposed Entitlements, or (iii) cause the Project Cost to exceed the Maximum Cost (unless the City agrees to pay for the amount of the Project Cost that exceeds the Maximum Cost as a result of such footage increase). The City may, at any time, decrease the square footage at its option. Any dispute regarding City adjustments to the square footage of the Station Project shall be an Arbitration Matter that shall be resolved pursuant to the provisions of Section 3.1.

(d) City's Reasonable Approvals. Developer's submittals in connection with the Design and Entitlement Work shall be subject to the approval of the Director of Property, which shall not be unreasonably withheld or delayed. If the Director of Property does not approve a submittal, the Director of Property will indicate in writing the reason for the disapproval and the steps or changes to be made to obtain its approval. The Director of Property will approve, disapprove or approve conditionally each submittal of the Design and Entitlement Work in accordance with the procedures set forth in Section 14.8; provided, the provisions of Section 14.8 as to the Design and Entitlement Work shall not apply to any Board of Supervisors approval of the Architect Contract and the Construction Contract.

(e) Design and Entitlement Costs. Developer shall pay or cause to be paid when due all fees and costs associated with the environmental review and the procurement of the Regulatory Approvals, together with any design development or other costs for the Station Project incurred by Developer (collectively, the "**Design and Entitlement Costs**"). Before engaging any contractor, Developer shall deliver to the City, for review and approval which shall not be unreasonably withheld, the name and qualifications of the third-party consultants and contractors to be engaged by Developer in connection with work on the Station Project (upon the City's approval, all such consultants being defined collectively as the "**Approved Contractors**"). Following the Effective Date, Developer shall also deliver to the City on a quarterly basis a detailed summary (a "**Design and Entitlement Cost Report**") of Developer's expenditures of Design and Entitlement Costs and Combined Project D&E Costs (as defined in Section 1.3(f)) during the previous calendar quarter. Each Design and Entitlement Cost Report shall include a description of the services performed and costs paid by Developer, and the number of hours worked and rates charged with respect to services performed by hourly rate workers (as opposed to those charging a flat fee). The Design and Entitlement Cost Report shall also notify the City as soon as Developer has reason to believe that the Design and Entitlement Costs and City's share of the Combined Project D&E Costs will likely exceed the Entitlement Budget so that the parties can mutually discuss any cost savings methods or practices. Developer agrees that the Design and Entitlement Costs and City's share of any Combined Project D&E Costs shall not collectively exceed the Entitlement Budget unless approved by the City.

(f) Apportionment. If and to the extent there are environmental review or design development fees or costs that properly cover or relate to both the Station Project and the Tower Project (the "**Combined Project D&E Costs**"), then those costs shall be apportioned consistent with the apportionment schedule attached hereto as Exhibit C and made a part hereof unless Developer can demonstrate to the reasonable satisfaction of the Director of Property, or the Director of Property can demonstrate to the reasonable satisfaction of Developer, that a different allocation should be used in the interest of fairness based upon the extent to which the cost primarily relates to or arises from the Station Project or the Tower Project, as applicable (the "**Apportionment**").

(g) Records and Approval of Cost Reports. Developer shall maintain records, in reasonable detail, with respect to all Design and Entitlement Costs and Combined Project D&E Costs, and shall provide such supporting documentation as the City may reasonably request to verify Design and Entitlement Costs and Combined Project D&E Costs. Developer will also make all records available for inspection, copying and audit by the City. The City shall review and approve or disapprove each Design and Entitlement Cost Report within fifteen (15) days following receipt; provided, for any disapproval, the City shall state its reasons for the disapproval in writing and the parties agree to meet and confer in good faith for a period to

discuss any areas of disagreement. If the parties are not able to reach agreement on the appropriateness, apportionment or amount of any Design and Entitlement Cost, Combined Project D&E Costs, or Entitlement Cost Report within twenty (20) days following a disapproval by the City, either party can elect to cause such disagreement to be resolved as an Arbitration Matter pursuant to the provisions of Section 3.1 herein.

(h) City Share of Design and Entitlement Costs. If this Agreement terminates for any reason, then the City shall have no obligation to reimburse Developer for the Design and Entitlement Costs or Combined Project D&E Costs incurred by Developer to the date of termination; provided, however, that if this Agreement is terminated by the Developer due to a City Event of Default, the Developer shall have the remedies set forth in Section 9.6.

1.4 Ownership of Work

Developer shall own, or have a license to use, the Design and Entitlement Work with respect to the Tower Project, but Developer shall ensure that all rights of Developer in the Design and Entitlement Work with respect to the Station Project are transferable to the City without limitation, payment to or the consent of the applicable architects and engineers, and will be transferred to the City upon completion of the Station Project.

1.5 CEQA Review

Following receipt of Developer's complete application for Environmental Review, the City's Planning Department, acting in its regulatory capacity, will be undertaking and completing Environmental Review of the Combined Project before review and consideration by any City department or commission of the Proposed Entitlements, and before review and consideration by the City's Board of Supervisors of the Planning Code and/or Zoning Map amendments needed to permit the Combined Project, to construct the Combined Project, and to demolish the existing improvements on the Existing City Property and the Existing Developer Property. Acting in its regulatory capacity, the City will review and consider the final environmental documents (the "**CEQA Documents**") relating to the Combined Project before deciding whether to approve the Combined Project, including any associated Municipal Code, Zoning Map or General Plan amendments. Until the City, in its sole discretion, adopts or certifies the adequacy of the CEQA Documents and any administrative appeals of the adoption or certification of the CEQA Documents have been exhausted, the City, acting in its regulatory capacity, retains the sole and absolute discretion to: (i) make such modifications to the proposed Combined Project as are deemed necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives to avoid such impacts; (iii) balance the benefits against unavoidable significant impacts before taking final action if such significant impacts cannot otherwise be avoided; or (iv) determine not to proceed with the proposed purchase based solely upon environmental impacts disclosed by the environmental review process (collectively, the "**CEQA Contingency**"). Notwithstanding the foregoing, Developer shall have no obligation to accept any of the modifications or changes that may be required by the City pursuant to clauses (i), (ii), and/or (iii) above and, if Developer elects not to approve (which approval may be withheld in its sole and absolute discretion) any of such changes or modifications referenced in said clauses (i), (ii) and/or (iii) above, Developer shall have the right to terminate this Agreement without liability upon written notice delivered to the City on or before the tenth (10th) business day immediately following the date the City's Board of Supervisors adopts or certifies the adequacy of the CEQA Documents.

1.6 CEQA Date

The effective date (if any) by which City completes all Environmental Review and the City's Planning Commission and Board of Supervisors (i) adopt or certify the adequacy of the CEQA Documents, and (ii) grant all City Regulatory Approvals for the Combined Project,

including (a) demolition of existing buildings on the Existing City Property and the Existing Developer Property, (b) Zoning Map and/or Planning Code amendments to permit the Combined Project, and (c) Planning Code Section 309 project approval shall be referred to as the **"CEQA Date"**. The parties agree to work diligently and in good faith to facilitate the completion of Environmental Review as reasonably possible, and currently anticipate that the CEQA Date could be on or before the second (2nd) anniversary of Developer submitting its application for Environmental Review to City's Planning Department (the **"Outside CEQA Date"**); provided, if following adoption, there is an administrative appeal of the adoption or certification of the CEQA Documents or of the entitlements, the CEQA Date shall be the effective date when the adoption, certification and/or entitlements have been finally determined or granted following the exhaustion of any administrative appeals. The parties may agree, subject to any injunction that prevents the City or Developer from taking the actions, to continue to process approvals or commence work notwithstanding the initiation of a legal challenge. If the initial adoption or certification of the CEQA Documents and grant of all City Regulatory Approvals has not occurred by the Outside CEQA Date, despite the best efforts of the parties, then either party may terminate this Agreement by providing sixty (60) day notice of termination to the other party, provided the parties may agree to extend the Outside CEQA Date during the above sixty (60) day period. If the certification of the CEQA Documents or the grant of all City Regulatory Approvals does not occur by the Outside CEQA Date due to a Developer Event of Default or a City Event of Default, as applicable, then the non-defaulting party shall have the remedies, if any, set forth in Section 9.6.

1.7 Agreement Ratification Date

(a) On the date (if any) that the City's Board of Supervisors adopts or certifies the adequacy of the CEQA Documents, the City's Board of Supervisors shall take an action (in its sole and absolute discretion), by resolution or ordinance, to either (i) ratify this Agreement, remove the CEQA Contingency, ratify the Architect Contract, the Ground Lease, the Construction Contract, the Construction Management Agreement, and the forms of the Tower Project Easement Agreement, and the Reciprocal Easement Agreement, and agree to proceed with the City's acquisition of the New City Parcel and sale (initially through the entering into the Ground Lease and, thereafter, through the transfer of fee title to the same) of the Existing City Property on the terms of this Agreement, subject only to satisfaction or waiver of the City's Conditions Precedent and Developer's Conditions Precedent, or (ii) reject this Agreement and elect not to proceed with the City's acquisition of the New City Parcel and sale of the Existing City Property solely on the basis of the impacts of the Combined Project disclosed in the CEQA Document that have not been adequately avoided, mitigated or overridden (the **"Agreement Rejection"**) or disapproval of the Construction Management Agreement, Architect Contract, form of Construction Contract, Ground Lease, Tower Project Easement Agreement, and the Reciprocal Easement Agreement (the **"Contract Rejection"**). The effective date of any resolution or ordinance adopted for the matters in the foregoing clause (i) shall be the **"Agreement Ratification Date"**.

(b) If the City's Board of Supervisors adopts or certifies the adequacy of the CEQA Documents but the Agreement Rejection or Contract Rejection occurs, then this Agreement shall terminate without additional cost or liability to either party.

1.8 CEQA and Other Litigation

Developer and City shall each pay its own costs and fees relating to any litigation or proceeding before any court or other judicial, adjudicative or legislative decision-making body, including any administrative appeal, to defend this Agreement, the Combined Project, the Regulatory Approvals, and actions taken by the City in its proprietary or regulatory capacity in furtherance of this Agreement, including any challenge to the adequacy of the City's Environmental Review in granting Regulatory Approvals or approving this Agreement. In the event of any such action or proceeding, the parties shall each proceed with due diligence and

shall cooperate with one another to defend the action or proceeding or take other measures to resolve the dispute that is the subject of such action or proceeding. If the City and Developer are both named defendants, respondents or real parties in interest in any action, then the parties shall endeavor to enter into a joint defense agreement to protect any confidential and privileged communications among them regarding the defense of the action. If a challenge relates to both the Station Project and the Tower Project or if it is not clear to which project the challenge relates, costs and fees shall be allocated fifty percent (50%) to the Developer and fifty percent (50%) to the City, and any costs allocated to the Station Project and paid for by Developer shall be credited towards payment of the Maximum Cost. If a challenge relates to the Tower Project only, it shall not affect this Agreement or the Maximum Cost. If a challenge relates to the Station Project only, then all reasonable costs and fees associated with the same and paid by the Developer shall be credited towards payment of the Maximum Cost.

1.9 Completion of Design, Plans, and Specifications for Station Project

If the Agreement Ratification Date and CEQA Date occur, Developer and the City shall work together with the Architect and Contractor to complete the design, plans and specifications for the Station Project in accordance with Section 1.3, and all such Design and Entitlement Costs shall be credited towards payment of the Maximum Cost.

1.10 Environmental and Other Due Diligence

Developer has performed environmental due diligence of the Existing Developer Property before Developer's acquisition. Within five (5) business days following the Effective Date, Developer shall deliver to the City (to the extent it has not already delivered the same to the City) complete copies of all the environmental reports and documents Developer acquired or procured with respect to the Existing Developer Property.

2. CONSTRUCTION; GROUND LEASE

2.1 Station Project Construction Management

(a) Construction Management Agreement. During the five (5) month period immediately following the Effective Date, Developer and City each agree to act reasonably and in good faith to reach agreement on the form of construction management agreement (the "Construction Management Agreement") with respect to Developer's construction of the Station Project on the New City Parcel at its sole cost, but not to exceed the Maximum Cost except to the extent otherwise agreed to by the City and the Developer, each in their sole and absolute discretion. Within sixty (60) days following the Effective Date, Developer shall deliver a draft of the Construction Management Agreement to City for review. City shall provide its initial comments to the draft Construction Management Agreement to Developer within thirty (30) days of receiving such draft, and the parties shall diligently complete their negotiations of the Construction Management Agreement by no later than the First Approval Deadline. If the parties are not able to agree (in their sole and absolute discretion) to the final form of the Construction Management Agreement by the First Approval Deadline, then either party shall have the right to terminate this Agreement without liability upon delivery of written notice to the other.

If the parties agree to the form of Construction Management Agreement by the First Approval Deadline, the Director of Property shall submit such form for consideration by the City's Board of Supervisors on or before the thirtieth (30th) day immediately following the First Approval Deadline. If the City's Board of Supervisors does not conditionally approve such form in its sole and absolute discretion, then the parties shall seek in good faith to negotiate such changes as may be necessary to obtain the Board of Supervisor's approval for a period of not less than sixty (60) days. If the parties are unable to agree to such changes in their sole and absolute

discretion, or the City's Board of Supervisors does not approve of such changed form in its sole and absolute discretion, either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party before the Agreement Ratification Date. If the form of Construction Management Agreement is conditionally approved by the City's Board of Supervisors subject to ratification on the Agreement Ratification Date (the "**Approved Form of Construction Management Agreement**"), it shall be subject to final ratification or rejection by the City's Board of Supervisors on the Agreement Ratification Date and any revisions required under all applicable City laws and regulations that are in effect at the time it is fully executed except to the extent they are waived by the City's Board of Supervisors or other City official, department, agency or commission with such waiver authority; provided, however, the Developer shall have the right, in its sole and absolute discretion, to approve of any of such revisions and, if the Developer does not approve of any of such revisions, Developer shall have the right to terminate this Agreement by delivering written notice of such termination to the City within thirty (30) days of receiving written notice of such required revisions from City and, if the Anticipated Initial Closing Date has been selected by Developer and Developer is notified by the City of such revisions to the Construction Management Agreement less than thirty (30) days prior to the Anticipated Initial Closing Date, the Anticipated Initial Closing Date shall be extended (at Developer's sole election) to a date such that gives the Developer a thirty (30) day period to decide whether or not to terminate this Agreement. If Developer does not terminate this Agreement pursuant to the foregoing sentence, then within thirty (30) days of receiving written notice of such required revision from City, City and Developer shall enter into the Approved Form of Construction Management Agreement, as may be revised under then applicable City laws and regulations, concurrently with the execution and delivery of the Ground Lease by the City and the Developer.

(b) **Project Cost and Maximum Cost.** Based on detailed pricing estimates performed to date, the parties estimate that the total aggregate cost incurred from time to time to entitle and develop the Station Project (collectively, the "**Project Cost**") will not exceed Thirty-Two Million One Hundred Twenty-Eight Thousand Four Hundred Twenty-Nine Dollars (\$32,128,429.00) (the "**Maximum Cost**"). From the start of construction until completion of the Station Project, Developer shall, as provided in the Construction Management Agreement, review and monitor the General Contractor's monthly construction cost report of expenditures on the Station Project during the previous month (the "**Construction Cost Report**"). The Construction Cost Report shall include an update to the Station Project schedule, including critical path items. Pursuant to the terms of the Construction Management Agreement, (1) the parties will agree to review the Project Budget, as compared to actual expenditures, throughout the development to ensure that the Project Cost does not exceed the Maximum Cost, (2) if Developer reasonably believes at any point that the Project Cost will likely exceed the Maximum Cost, Developer shall notify the City of such fact and the parties shall discuss alternatives to design, overall square footage, finishes, and other items that may be changed or eliminated from the Station Project so as to not exceed the Maximum Cost, and (3) upon City's request, Developer shall provide to the City good faith detailed estimates of the cost of various proposed alternatives in order for City to initiate needed change orders to keep the Project Cost below the Maximum Cost. Notwithstanding anything stated to the contrary in this Agreement, under no circumstances whatsoever shall Developer or City be obligated to pay any Project Cost in excess of the Maximum Cost.

2.2 Architect Contract and Construction Contract

Developer shall use commercially reasonable efforts to include the applicable provisions of this Article 2 in the Architect Contract, the Construction Contract and all other Project Contracts, except for any Pre-Approved Project Contract which only needs to include the applicable provisions of Section 2.9, each subject to such revisions or deletions as may be agreed to by the City in approving the Project Contract. If the Architect or the General Contractor or other contractor under a Project Contract (each, a "**Project Contractor**") refuses to include any provision, Developer shall consult with the City on how to proceed with the contract

negotiations, including whether to seek Board of Supervisors approval of an ordinance exempting such provision. Notwithstanding anything stated to the contrary in this Agreement, any failure to include in any Project Contract any of the provisions provided for in this Article 2 shall not constitute a default or breach by Developer under this Agreement. However, the City shall not be required to approve any Project Contract that does not include the applicable provisions of this Article 2. In no event and under no circumstances, shall Developer be liable for any breach or default by a Project Contractor, or for a Project Contractor's failure to comply with any of the provisions of this Article 2 or applicable law including any City law. Upon a default by a Project Contractor, and following consultation with the City and upon the City's request, Developer shall use commercially reasonable efforts to take specific remedial action against the defaulting Project Contractor, including termination of the applicable Project Contract and replacement of the applicable Project Contractor. All third party costs incurred by Developer in enforcing rights and remedies against the Architect or the General Contractor shall be credited towards the Maximum Cost.

2.3 Compliance with Laws

Developer shall use commercially reasonable efforts to cause each Project Contractor to remain fully informed of and comply with the applicable provisions of the Charter, Municipal Code, ordinances and regulations of the City and other local agencies having jurisdiction over the work, and all federal and state laws and regulations in any manner affecting the Project Contracts, the performance of the work, or those persons engaged therein. Developer shall require compliance with, and shall use good faith efforts to ensure all construction and materials provided under the Project Contracts shall be in full accordance with, the applicable provisions of the latest laws and requirements, as the same may be amended, updated or supplemented from time to time, of the Municipal Code sections specified in the Project Contracts, Americans with Disability Act Accessibility Guidelines, CAL-OSHA, the State Division of Industrial Safety of the Department of Industrial Relations, the Division of the State Architect – Access Compliance, the Public Utilities Commission of the State of California, the State Fire Marshal, the National Fire Protection Association, the San Francisco Department of Public Health, state and federal laws and regulations, and of other bodies or officials having jurisdiction or authority over same, and they shall be observed and complied with by Developer and any and all persons, firms and corporations employed by or under it. The City and its Agents may at any time, following written notice to Developer, enter upon any part of the work to ascertain whether such laws, ordinances, regulations or orders are being complied with, provided that the City shall have no obligation to do so under this Agreement and no responsibility for such compliance. Architect and General Contractor shall comply with the applicable provisions of San Francisco Administrative Code Chapter 6 that are incorporated into the Architect Contract and the Construction Contract, respectively. To the extent applicable to Developer, Developer shall comply with all laws including the applicable provisions of the Charter, Municipal Code, ordinances and regulations of the City and local agencies having jurisdiction over the work.

2.4 Completion Date

Unless otherwise agreed to by the City, the Construction Contract shall require that (a) all work be substantially complete within nine hundred (900) consecutive calendar days following the start of work, subject to Unavoidable Delay, and (b) final completion of the work shall occur within sixty (60) consecutive calendar days after the date the City's Department of Building Inspection ("DBI") issues a temporary certificate of completion for the Fire Station Improvements ("TCO"), subject to Unavoidable Delay. Developer shall deliver written notice of DBI's issuance of a TCO to City within three (3) business days of such issuance, and shall deliver written notice of the completion of all punch list items for the Fire Station Improvements following such TCO issuance within three (3) business days of such completion.

2.5 Liquidated Damages

Unless otherwise agreed to by the City, the Construction Contract shall provide that time is of the essence in all matters relating to completion of the Station Project, and that the City will suffer financial loss if the work is not completed within the time frames set forth in Section 2.4, plus any extensions allowed in accordance with the general conditions. Accordingly, the Construction Contract shall include liquidated damages (and not as a penalty) equal to \$2,000 for each day of delay other than unavoidable delay (as such term shall be defined in the Construction Management Agreement), as the City's sole remedy for such delay, payable by the General Contractor to the City, for each calendar day of delay.

2.6 Labor Requirements for Construction

(a) Applicable Labor Laws and Agreements. Compensation and working conditions for labor performed or services rendered (excluding professional design services) under the Project Contracts shall be in accordance with the San Francisco Charter, and applicable sections of the San Francisco Administrative Code, including Section 6.22(e) and (f). Developer shall include the requirements of this Section 2.6 (collectively, the "**Labor Requirements**") in the Project Contracts (as applicable), and require Project Contractors to include the Labor Requirements in all subcontracts relating to the work, as applicable, unless otherwise agreed to by the City. The Project Contracts shall expressly acknowledge the City's right to monitor and enforce the Labor Requirements in all respects and at all times, and Developer agrees (1) to reasonably cooperate with City in all monitoring and enforcement measures initiated by City, including but not limited to the withholding of payments as directed by the City when permitted under the provisions of the Labor Requirements, with any third party costs incurred by Developer being credited against the Maximum Cost, and (2) to promptly inform the City of any known violations or known alleged violations of the Labor Requirements. A Project Contractor's violation of the Labor Requirements will not be considered a Developer default under this Agreement.

(b) Prevailing Wages. Each Project Contract shall require payment of the latest Prevailing Rate of Wage (as defined in San Francisco Administrative Code Section 6.1) in effect at the time such Project Contract is fully executed, as determined by the San Francisco Board of Supervisors, as same may be changed during the term of this Agreement. Developer shall include in each applicable Project Contract a requirement that all persons performing labor under such Project Contract shall be paid not less than the Prevailing Rate of Wage for the labor so performed. Developer shall require any Project Contractor to provide, and shall deliver to City every month during any construction period, certified payroll reports with respect to all persons performing labor in the provision of the work. Copies of the latest Prevailing Rate of Wages are on file at the Department of Public Works, City and County of San Francisco, Bureau Manager, Bureau of Engineering, 30 Van Ness Avenue, 5th Floor, San Francisco, CA, 94103.

(c) Penalties. The Construction Contract shall provide for payment to the City back wages due plus fifty dollars (\$50.00), for: (i) each laborer, workman, or mechanic employed in the provision of the work, for each calendar day or portion thereof during which such laborer, workman, or mechanic is not paid the highest general prevailing rate of wage for the work performed; or (ii) each laborer, mechanic or artisan employed in the provision of the work, for each calendar day or portion thereof during which such laborer, mechanic or artisan is compelled or permitted to work for a longer period than five (5) days (Monday-Friday) per calendar week of eight hours each, and not compensated in accordance with the prevailing overtime standard and rate.

(d) First Source and Local Hiring. The Construction Contract shall require compliance, as applicable, with the First Source Hiring and Local Hiring requirements set forth in Exhibit E, unless otherwise agreed to by the City's Board of Supervisors and Mayor (in their sole and absolute discretion).

2.7 Indemnity

Developer shall use commercially reasonable efforts to have the Architect Contract include the following indemnity (or indemnity language similar in all material respects) for the benefit of the City, unless otherwise agreed to by the City:

"General. With regard to only the work performed as architect of record and engineer of record for the design of the Station Project, to the fullest extent permitted by law, Architect shall, following a tender of defense from City, assume the immediate defense of (with legal counsel subject to reasonable approval of the City), the City, its boards, commissions, officers, and employees (collectively "**Indemnitees**"), from and against any and all claims, losses, costs, damages, expenses and liabilities of every kind, nature, and description including, without limitation, injury to or death of any person(s) (collectively "**Damages**"), court costs, attorneys' fees, litigation expenses, fees of expert consultants or witnesses in litigation, and costs of investigation (collectively "**Litigation Expenses**"), that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the alleged negligence, recklessness, or willful misconduct of Architect, any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively, "**Liabilities**"), but this obligation to assume the immediate defense applies only to the extent that the Liabilities are actually covered by the Architect's commercial liability insurance and the provider of such insurance will respond with an immediate defense. Architect is not responsible for any Liabilities to the extent caused by the Indemnitees. Architect will only be responsible for the proportionate percentage of defense costs for such Liabilities equal to Architect's proportionate percentage of fault for such Liabilities, as determined by that court. To the fullest extent permitted by law, Architect shall indemnify and hold harmless (which may include the recovery of Litigation Expenses, but will not provide an upfront defense of them) Indemnitees from and against any and all Liabilities, including but not limited to those for Damages or Litigation Expenses specified in this Section to the extent found to have arisen out of Architect's negligence.

Limitations. No insurance policy covering the Architect's performance under this agreement shall operate to limit the Liabilities under this Section, nor shall the amount of insurance coverage operate to limit the extent of the Liabilities. The Architect assumes no liability whatsoever for the negligence, active negligence, or willful misconduct of any Indemnitee or the contractors of any Indemnitee.

Copyright Infringement. Architect shall also indemnify, defend and hold harmless all Indemnitees from all suits or claims for infringement of the patent rights, copyright, trade secret, trade name, trademark, service mark, or any other proprietary right of any person or persons in consequence of the use by the City, or any of its boards, commissions, officers, or employees of articles, work or deliverables supplied in the performance of services under this contract. Infringement of patent rights, copyrights, or other proprietary rights in the performance of this agreement, if not the basis for indemnification under the law, shall nevertheless be considered a material breach of this agreement.

Severability. To the extent any court of competent jurisdiction or law invalidates any word, clause, phrase, or sentence in this Section, that word, clause, phrase, or sentence, and no other portion, shall be deemed removed from this Section. All other words, clauses, phrases and/or sentences remain enforceable to the fullest extent permitted by law."

2.8 Rights and Remedies During Construction

Developer shall use commercially reasonable efforts to include the following provisions (or provisions similar to the following provisions in all material respects) in the Project Contracts for the benefit of the City, unless otherwise agreed to by the City:

(a) General. The provisions of the Project Contract shall not limit the duties, obligations, rights and remedies otherwise imposed or available by law or in equity. No action or failure to act shall in any way abridge the rights and obligations of the parties to the Project Contract, or condone a breach thereunder, unless expressly agreed to by the parties in writing. All remedies provided in the Project Contract shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, the City shall have any and all equitable and legal remedies that it would in any case have.

(b) No Waiver. No waiver of any breach of any provision of the Project Contract shall be held to be a waiver of any other or subsequent breach. The only waiver by the City shall be a waiver in writing that explicitly states the item or right being waived.

(c) City's Remedies for False Claims and Other Violations. A Project Contractor that fails to comply with the terms of the Project Contract, violates any provision of Local Hire and Prevailing Wages for Construction (San Francisco Administrative Code Sections 6.22 through 6.45), submits false claims, or violates against any governmental entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of the Project Contract, may be declared an irresponsible bidder and debarred according to the procedures set forth in San Francisco Administrative Code Section 6.80 et seq. Additionally, a Project Contractor that submits a false claim may be subject to monetary penalties, investigation, and prosecution as set forth in Administrative Code Section 6.80 et seq.

(d) Interpretation. The Project Contract shall be interpreted in accordance with the laws of the State of California and the provisions of the City's Charter and Administrative Code.

2.9 Other City Requirements

Developer shall use commercially reasonable efforts to include in each Project Contract language requiring compliance, as applicable, with the provisions specified in the San Francisco Municipal Code, including but not limited to: Non Discrimination in City Contracts and Benefits Ordinance (Admin. Code Sections 12B and 12C), Tropical Hardwood and Virgin Redwood Ban (Envir. Code Sections 802(b) and 803(b)), Preservative-Treated Wood Containing Arsenic (Environment Code Chapter 13), Bicycle Storage (Planning Code Article 1.5), Green Building Requirements for City Building (Envir. Code Chapter 7), MacBride Principles (Admin. Code Section 12F.1 et seq.), Conflicts of Interest (Article III Chapter 2 of City's Campaign and Governmental Conduct Code), and Campaign Contribution Limitations (Section 1.126 of City's Campaign and Governmental Conduct Code). Developer shall comply with the above requirements insofar as they relate to Developer's work under this Agreement.

2.10 Ground Lease for Existing City Property

The Developer will need possession and leasehold ownership of the Existing City Property between the Initial Closing Date (as defined in Section 9.2) and the Final Closing Date to construct the Combined Project. If the Agreement Ratification Date and CEQA Date occur, then within fifteen (15) business days of Developer's written request to City and subject to the satisfaction of the conditions to the Initial Closing (as defined in Section 9.2) in Section 8.1 and Section 8.2, the City and Developer shall enter into a ninety-nine (99) year ground lease for the Existing City Property in a form mutually agreeable to City and Developer (the "**Ground Lease**"), which shall include all applicable requirements under applicable law, including but not

limited to San Francisco Charter Section 5.103 and San Francisco Administrative Code Section 23.50 *et seq.*

Within (60) days following the Effective Date, Developer shall deliver the draft Ground Lease to the City for review. The City shall provide its initial comments to the draft Ground Lease to the Developer within thirty (30) days of receiving such draft, and the parties shall diligently complete their negotiations of the Ground Lease by no later than the First Approval Deadline. If the parties are not able to agree (in their sole and absolute discretion) on the final form of the Ground Lease by the First Approval Deadline then either party shall have the right to terminate this Agreement without liability upon delivery of written notice to the other.

If the parties agree to the form of Ground Lease by the First Approval Deadline, the Director of Property shall submit such form for consideration by the City's Board of Supervisors on or before the thirtieth (30th) day immediately following the First Approval Deadline. If the City's Board of Supervisors does not approve (in its sole and absolute discretion) such form, then the parties shall seek in good faith to negotiate such changes as may be necessary to obtain the Board of Supervisor's approval for a period of not less than sixty (60) days. If the parties are unable to agree to such changes, in their sole and absolute discretion, or the City's Board of Supervisors does not approve (in its sole and absolute discretion) of such changed form, either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party before the Agreement Ratification Date. If the form of Ground Lease is approved by the City's Board of Supervisors (the "**Approved Form of Ground Lease**"), it shall be subject to any revisions required under all applicable City laws and regulations that are in effect at the time it is fully executed (even if they become effective after the date the City's Board of Supervisors approved the Approved Form of Ground Lease) except to the extent they are waived by the City's Board of Supervisors or other City official, department, agency or commission with such waiver authority, and on the Initial Closing Date, the City and Developer shall enter into the Approved Form of Ground Lease as may be revised under then applicable City laws and regulations; provided, however, the Developer shall have the right, in its sole and absolute discretion, to approve of any of such revisions and, if the Developer does not approve of any of such revisions, Developer shall have the right to terminate this Agreement by delivering written notice of such termination to the City within sixty (60) days following receipt by Developer of written notice (which written notice must expressly recite that Developer has sixty (60) days to approve or disapprove of such revisions and must reference the provisions of this Section) of any such revisions made by the City and, if the Anticipated Initial Closing Date has been selected by Developer and Developer is notified by the City of the revisions to the Approved Form of Ground Lease less than thirty (30) days prior to the Anticipated Initial Closing Date, the Anticipated Initial Closing Date shall be extended (at Developer's sole election) to a date that gives the Developer such thirty (30) day period to decide whether or not to terminate this Agreement.

3. RESOLUTION OF CERTAIN DISPUTES

3.1 Binding Arbitration

(a) Arbitration Matters. Each of the following is an "**Arbitration Matter**" following written notice from one party to another party that a dispute exists as to such matter: (i) any proposed adjustment to the size of the Station Project under Section 1.3(c), (ii) the appropriateness, apportionment or amount of any Design and Entitlement Cost or the City's failure to approve any Design and Entitlement Cost Report, (iii) the amount of any Design and Entitlement Cost, (iv) disputes under provisions set forth in sections or exhibits to this Agreement that call for arbitration, and (vi) the City's or Developer's failure to approve any matter in this Agreement for which it is required to act reasonably (following mediation on the matter, if either party invokes mediation to resolve the dispute), but expressly excluding the failure to approve the Architect Contract, the Construction Contract, the Construction Management Agreement, the Ground Lease, the Tower Project Easement Agreement, or the

Reciprocal Easement Agreement, none of which shall be an Arbitration Matter. Following the receipt of notice of an Arbitration Matter, the parties will have thirty (30) days (or such longer time as they may agree) to attempt to resolve the Arbitration Matter through informal discussions. Notwithstanding anything stated to the contrary in this Agreement, neither the determination of whether an Event of Default has occurred nor the available remedies following an Event of Default shall be an Arbitration Matter or be subject to the provisions of this Section 3.1.

(b) Arbitration Notice. If an Arbitration Matter is not resolved by discussion as set forth in Section 3.1, then either party may submit the Arbitration Matter to a single qualified arbitrator at JAMS in the City ("JAMS") in accordance with the applicable rules of JAMS. The party requesting arbitration shall do so by giving notice to that effect to the other party or parties affected (the "Arbitration Notice"). The Arbitration Notice must include a summary of the issue in dispute and the reasons why the party giving the Arbitration Notice believes that the other party is incorrect in its or in breach.

(c) Selection of Arbitrator. The parties will cooperate with JAMS and with one another in selecting an arbitrator with appropriate expertise in the Arbitration Matter from a JAMS panel of neutrals, and in scheduling the arbitration proceedings as quickly as reasonably feasible. If the parties are not able to agree upon the arbitrator, then each will select one arbitrator, and the two selected arbitrators shall select a third arbitrator. The third arbitrator selected shall resolve such dispute in accordance with the laws of the State pursuant to the JAMS Streamlined Arbitration Rules and Procedures for disputes of \$250,000 or less, and the JAMS Comprehensive Arbitration Rules and Procedures for disputes of more than \$250,000 (as applicable, the "Rules").

(d) Arbitration Process. The parties shall bear their own attorneys' fees, costs and expenses during the arbitration proceedings, and each party shall bear one-half of the costs assessed by JAMS. The parties shall use good faith efforts to conclude the arbitration within sixty (60) days after selection of the arbitrator, and the arbitrator shall be requested to render a written decision and/or award consistent with, based upon and subject to the requirements of this Agreement as soon as reasonably possible in light of the matters in dispute. The arbitrator shall have no right to modify any provision of this Agreement. If a party chooses to submit any documents or other written communication to the arbitrator or JAMS, it shall deliver a complete and accurate copy to the other party at the same time it submits the same to the arbitrator or JAMS. Neither party shall communicate orally with the arbitrator regarding the subject matter of the arbitration without the other party present.

(e) Final Determination. Subject to this Section 3.2, the parties will cooperate to provide all appropriate information to the arbitrator. The arbitrator will report his or her determination in writing, supported by the reasons for the determination. As part of that determination, the arbitrator shall have the power to determine which party or parties prevailed, wherein the prevailing party or parties shall recover all of their reasonable fees, costs and expenses (including the fees and costs of attorneys) from the non-prevailing party or parties, to be paid within ten (10) days after the final decision of the arbitrator with regard to such fees, costs and expenses, and the arbitrator shall also determine whether the time spent for the Arbitration Matter is to be treated as Unavailable Delay. Except as provided in Sections 1286.2, 1286.4, 1286.6 and 1286.8 of the California Code of Civil Procedure, the determination by the arbitrator shall be conclusive, final and binding on the parties. Additionally, notwithstanding anything to the contrary contained in the Rules (i) the arbitrator, in deciding any Claim, shall base his or her decision on the record and in accordance with this Agreement and applicable law, (ii) in no event shall the arbitrator make any ruling, finding or award that does not conform to the terms and conditions of this Agreement, is not supported by the weight of the evidence, or is contrary to statute, administrative regulations or established judicial precedents, (iii) the arbitration award shall be a factually detailed, reasoned opinion stating the arbitrator's findings of fact and conclusions of law, and (iv) any such arbitration shall be held in San Francisco,

California, unless the parties mutually agree upon some other location. By agreeing to this provision, the parties are waiving all rights to a trial by judge or jury with respect to any Arbitration Matter. The arbitrator's decision and/or award may be entered as a judgment in any court having competent jurisdiction and shall constitute a final judgment as between the parties and in that court.

3.2 Non-Binding Mediation

(a) Mediation Matter. Each of the following is a "**Mediation Matter**" following written notice from one party to another party that a dispute exists as to such matter: (i) the Director of Property's failure to approve the Architect Contract or the Construction Contract, (ii) changes to the Station Project or the Project Budget as required to keep the Project Cost below the Maximum Cost, and (iii) the City's or Developer's failure to approve any other matter as to which it is required by this Agreement to be reasonable.

(b) Mediation Request. A party may request non-binding mediation by delivering a written request for mediation ("**Mediation Request**") to the other party. The Mediation Request must include a summary of the issue in dispute and the position of the parties, together with any backup information or documentation it elects to provide. Within fifteen (15) days after receipt of the Mediation Request, the responding party may agree to meet and confer promptly with the requesting party to attempt to resolve the matter. In the absence of such agreement, or if the meet and confer does not resolve the matter promptly, the party who requested approval may submit the matter for mediation to JAMS in the City and County of San Francisco.

(c) Selection of Mediator and Process. The parties will cooperate with JAMS and with one another in selecting a mediator from a JAMS panel of neutrals and in scheduling the mediation proceedings as quickly as feasible. The parties agree to participate in the mediation in good faith. Neither party may commence or if commenced, continue, a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session. The parties will each pay their own costs and expenses in connection with the mediation, and the party that requested mediation will pay all costs and fees of the mediator. Without limiting the foregoing, the provisions of Sections 1115 through 1128 of the California Evidence Code, inclusive, will apply in connection with any mediation.

(d) Use of Evidence. The provisions of Sections 1152 and 1154 of the California Evidence Code will apply to all settlement communications and offers to compromise made during the mediation or arbitration.

4. PROPERTY EXCHANGE

4.1 Property Included in Sale

(a) Upon no less than fifteen (15) business days' prior written notice delivered by Developer to the City that Developer wishes to proceed with the Initial Closing on the Ground Lease in accordance with the provisions of Section 9.2(a) herein, and following satisfaction (or waiver) of the City's Conditions Precedent and Developer's Conditions Precedent as to the Anticipated Initial Closing Date (or on such other date to which the Initial Closing shall be extended as provided in this Agreement) and subject to the terms, covenants and conditions of this Agreement, the Initial Closing shall occur and City agrees to sell and convey a leasehold interest in and to the Existing City Property to the Developer pursuant to the terms of the Ground Lease, and Developer agrees to purchase and acquire a leasehold interest in the Existing City Property pursuant to the terms of the Ground Lease.

(b) Upon satisfaction (or waiver) of the City's Conditions Precedent and Developer's Conditions Precedent as they relate to the Anticipated Final Closing Date (or on such other date

to which the Final Closing shall be extended as provided in this Agreement) and subject to the terms, covenants and conditions of this Agreement, the Final Closing shall occur and Developer agrees to sell and convey fee title to the Fire Station Property to City and City agrees to sell and convey fee title to the Tower Property (defined below) to Developer.

(c) The "**Fire Station Property**" shall collectively mean the following:

(i) the real property consisting of the New City Parcel, as improved by the Station Project improvements, and any other improvements and fixtures, on the New City Parcel (the "**Fire Station Improvements**");

(ii) the Developer's interest in Assumed Contracts (as defined in Section 6.4 below) that Developer and the City agree should be assigned by Developer and assumed by the City at Final Closing, if any;

(iii) any and all rights, privileges, and easements incidental or appurtenant to the New City Parcel or Fire Station Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the New City Parcel, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the New City Parcel, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the New City Parcel or Fire Station Improvements, and any and all of Developer's right, title and interest in and to all roads and alleys adjoining or servicing the New City Parcel, subject to the Reciprocal Easement Agreement and the Tower Project Easement Agreement (collectively, the "**Fire Station Appurtenances**");

(iv) all personal property owned by Developer located on or in or used in connection with the New City Parcel or Fire Station Improvements as of the Final Closing Date (the "**Fire Station Personal Property**"); and

(v) any intangible personal property now or hereafter owned by Developer and used in the ownership, use or operation of the New City Parcel, Fire Station Improvements or Fire Station Personal Property, to the extent assignable to the City, and including the Assumed Contracts (collectively, the "**Fire Station Intangible Property**").

(d) The "**Tower Property**" shall collectively mean the following:

(i) the real property consisting of the Existing City Property, together with the City's interest, if any, in the improvements and fixtures on the Existing City Property on the Final Closing Date (the "**Tower Improvements**");

(ii) any and all rights, privileges, and easements incidental or appurtenant to the Existing City Property or Tower Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Existing City Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Existing City Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Existing City Property or Tower Improvements, and any and all of the City's right, title and interest in its proprietary interest as fee owner of the Existing City Property in and to all roads and alleys adjoining or servicing the New City Parcel (collectively, the "**Tower Appurtenances**");

(iii) all personal property owned by City located on or in or used in connection with the Existing City Property or Tower Improvements as of the Initial Closing Date or Final Closing Date (the "**Tower Personal Property**"); and

(iv) any intangible personal property owned by City in its proprietary interest as fee owner of the Existing City Property immediately prior to the Final Closing and used in the

ownership, use or operation of the Existing City Property, Tower Improvements or Tower Personal Property, to the extent assignable to the Developer (collectively, the "**Tower Intangible Property**").

4.2 Easements

(a) The parties agree that if Final Closing occurs, City shall grant the Developer an easement that encumbers the New City Parcel for the benefit of the New Developer Parcel for (i) an extension of the Tower Project, if applicable, and (ii) a garage ramp on the southwest corner of the New City Parcel, both as generally depicted on the attached Exhibit F, subject to the terms of a mutually agreeable easement agreement (the "**Tower Project Easement Agreement**"). Within sixty (60) days following the Effective Date, Developer shall deliver a draft Tower Project Easement Agreement to the City for review and the parties shall diligently complete their negotiations on the form of Tower Project Easement Agreement within the five (5) month period immediately following such delivery. If the parties are not able to agree (each in their sole and absolute discretion) to the form of Tower Project Easement Agreement during such five (5) month period, then either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party within ten (10) business days following the expiration of such five (5) month period. If the parties agree to the form of Tower Project Easement Agreement and it is conditionally approved by the City's Board of Supervisors (acting in its sole and absolute discretion) subject to ratification on the Agreement Ratification Date, Developer shall have the right to update and amend and modify the Tower Project Easement Agreement with the City's approval (which approval may be withheld in its sole and absolute discretion) at any time, and from time to time, no less than ninety (90) days prior to the Initial Closing. If the City is not able to agree upon (in its sole and absolute discretion) any such amendment or modification to the Tower Project Easement Agreement, then the parties will execute the Tower Project Easement Agreement without such unapproved amendment or modification at the Final Closing or, at Developer's election (in its sole and absolute discretion), Developer shall have the right to terminate this Agreement due to such unapproved amendment or modification prior to the Initial Closing.

The form of Tower Project Easement Agreement shall be subject to ratification or rejection by the City's Board of Supervisors on the Agreement Ratification Date and any revisions required under all applicable City laws and regulations that become effective between the date the City's Board of Supervisors approved it and the Final Closing Date, except to the extent they are waived by the City's Board of Supervisors or other City official, department, agency or commission with such waiver authority; provided, however, the Developer shall have the right, in its sole and absolute discretion, to approve of any of such revisions and, if the Developer does not approve of any of such revisions, Developer shall have the right to terminate this Agreement by delivering written notice of such termination to the City before the Final Closing Date.

(b) The parties agree that if Final Closing occurs, the parties shall execute an easement agreement that encumbers and benefits the New City Parcel and the New Developer Parcel for vehicular and pedestrian access to the subsurface parking garage on the New City Parcel and the New Developer Parcel, together with the right to maintain and repair the garage, as generally depicted on the attached Exhibit G, subject to the terms of a mutually agreeable easement agreement (the "**Reciprocal Easement Agreement**"). Within sixty (60) days following the Effective Date, Developer shall deliver a draft Reciprocal Easement Agreement to the City for review and the parties shall diligently complete their negotiations of the form of Reciprocal Easement Agreement within the five (5) month period immediately following such delivery. If the parties are not able to agree (each in their sole and absolute discretion) to the form of the Reciprocal Easement Agreement during such five (5) month period, then either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party within ten (10) business days following the expiration of such five (5) month period. Developer shall have the right to update and amend and modify the Reciprocal Easement

Agreement prior to the Initial Closing with the City's approval (which approval may be withheld in its sole and absolute discretion) at any time, and from time to time, no less than ninety (90) days prior to the Initial Closing. If the City does not agree upon (in its sole and absolute discretion) any such proposed amendment or modification to the Reciprocal Easement Agreement, then Developer shall have the right to terminate this Agreement prior to the Initial Closing.

The form of Reciprocal Easement Agreement shall be subject to approval by the City's Board of Supervisors on the Agreement Ratification Date and any revisions required under all applicable City laws and regulations that become effective between the date the City's Board of Supervisors approved it and the Final Closing Date except to the extent they are waived by the City's Board of Supervisors or other City official, department, agency or commission with such waiver authority; provided, however, the Developer shall have the right, in its sole and absolute discretion, to approve of any of such revisions and, if the Developer does not approve of any of such revisions, Developer shall have the right to terminate this Agreement by delivering written notice of such termination to the City before the Final Closing Date.

(c) The parties acknowledge the Tower Project Easement Agreement and the Reciprocal Easement Agreement will require the approval of the City's Board of Supervisors and Mayor, each acting in their sole discretion. If there is a proposed modification to the Tower Project Easement Agreement and the Reciprocal Easement Agreement following any such approval that materially increases City's costs or liabilities or decreases City's benefits will require further approval of the City's Board of Supervisors and Mayor, each acting in their sole discretion. If the Director of Property approves such a proposed material modification prior to the Initial Closing but the City's Board of Supervisors and Mayor fail to approve of the same, then either party to this Agreement shall have the right to terminate this Agreement by delivering written notice of such termination to the other party prior to the Initial Closing. Any proposed material modification after the Initial Closing will require the Director of Property's approval (not to be unreasonably withheld) and the City's Board of Supervisors and Mayor (each in their sole discretion).

5. EXCHANGE VALUES

5.1 Payment of Purchase Price for Existing City Property

The parties acknowledge and agree that the purchase price ("**Purchase Price**") for a leasehold interest in the Existing City Property under the terms of the Ground Lease and the right to purchase the fee interest in the Existing City Property on the terms of this Agreement is equal to the Maximum Cost and that payment of all, or substantially all, of the Purchase Price will be accomplished through Developer's development and transfer to the City of the Fire Station Property such that all Project Costs incurred by Developer in accordance with the terms and conditions of this Agreement shall be credited towards the Purchase Price. Prior to Final Closing, the parties shall make the final determination of the total Project Cost. If the total Project Cost is less than \$25,500,000 then, concurrently with the Final Closing, the Developer shall pay the City an amount (the "**Purchase Price Shortfall**") equal to the amount, if any, by which the sum of \$25,500,000 exceeds the Project Cost. For avoidance of doubt, if the total Project Cost is less than the Maximum Cost, but equal to or exceeds \$25,500,000, then there will be no Purchase Price Shortfall. When possible and practical, Developer will maintain separation of the Design and Entitlement Costs for the Station Project and for the Tower Project and the construction costs for the Station Project and for the Tower Project, and where costs are appropriately attributable to both, they will be divided in accordance with the Apportionment. If the City and Developer are not able to agree upon the amount of the Project Costs incurred by Developer the same shall be resolved as an Arbitration Matter pursuant to the provisions of Section 3.1 herein.

5.2 Additional Payment

In further consideration of City's agreement to exchange the Existing City Property for the New City Parcel on the terms of this Agreement, Developer agrees to pay the Additional Payment (defined as follows) to City at the Final Closing. The "Additional Payment" shall mean an amount equal to (A) the fee that would be calculated as of the first construction document for the Tower Project under San Francisco Planning Code Section 415.5(b), as it may be amended or replaced, if the Tower Project had at least twenty-five (25) Owned Units (as defined in San Francisco Planning Code Section 415.2) and a Gross Floor Area (as defined in San Francisco Planning Code Section 401) of 73,375 square feet of residential use, less (B)(i) the fee payable for the Tower Project under San Francisco Planning Code Section 413 et seq, calculated as of the first construction document for the Tower Project, (ii) any fee already paid by Developer for the Tower Project under San Francisco Planning Code Section 415 et seq, and (iii) One Million Six Hundred Thousand Dollars (\$1,600,000).

5.3 Funds

The Additional Payment, the Purchase Price Shortfall, and all other amounts payable under this Agreement, shall, except as may be otherwise provided in this Agreement, be paid in legal tender of the United States of America, in cash or by wire transfer of immediately available funds to Title Company (as defined below), as escrow agent.

6. TITLE TO THE PROPERTIES

6.1 Conveyance of Title

(a) At the Initial Closing, the City shall convey to the Developer, or its nominee (subject to such nominee's complying with the provisions of Section 14.3), leasehold title to the Existing City Property (including all improvements situated thereon), through the execution and delivery of the Ground Lease, subject to the Accepted Developer Conditions of Title.

(b) At the Final Closing, Developer shall convey to City, or its nominee (subject to such nominee's complying with the provisions of Section 14.3), fee simple title to the New City Parcel, the Fire Station Improvements and the Fire Station Appurtenances, by duly executed and acknowledged quitclaim deed in the form attached hereto as Exhibit H-1 (the "**Fire Station Deed**"), subject to the Accepted City Conditions of Title.

(c) At the Final Closing, City shall convey to Developer, or its nominee (subject to such nominee's complying with the provisions of Section 14.3), fee simple title to the Existing City Property, the Tower Appurtenances and any interest the City has in the Tower Improvements, by duly executed and acknowledged quitclaim deed in the form attached hereto as Exhibit H-2 (the "**City Property Deed**"), subject to the Accepted Developer Conditions of Title.

(d) If the Title Company is not able to issue the City Title Policy or the Developer Fee Title Policy because the City Property Deed or the Fire Station Deed is on the form of a quitclaim deed, the City Property Deed and the Fire Station Deed will be changed to be customary grant deeds.

6.2 Title Insurance

(a) Delivery of title in accordance with Section 6.1(a) shall be evidenced by the commitment of Chicago Title Insurance Company (the "**Title Company**") to issue to Developer, or its nominee (subject to such nominee's complying with the provisions of Section 14.3), an ALTA extended coverage owner's policy of title insurance (2006 Form) (the "**Developer**

Leasehold Title Policy") in an amount to be mutually agreed upon by the Developer and the City on or before the First Approval Deadline, insuring leasehold title to the Existing City Property (including all improvements located thereon) in the Developer or such nominee, free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants, and all other exceptions, liens and encumbrances, except for (i) a lien not yet due and payable for property taxes for the fiscal year in which the Initial Closing occurs, (ii) the exceptions listed in Exhibit I-1, and (iii) any other exceptions approved in writing by Developer before the Initial Closing (the "**Accepted Developer Conditions of Title**"). The Developer Leasehold Title Policy shall provide full coverage against mechanics' and materialmen's liens and shall contain an affirmative endorsement that there are no violations of restrictive covenants affecting the Existing City Property and such special endorsements as the Developer may reasonably request.

(b) Delivery of title in accordance with Section 6.1(b) shall be evidenced by the commitment of the Title Company to issue to City, or its nominee, an ALTA extended coverage owner's policy of title insurance (2006 Form) (the "**City Title Policy**") in an amount to be mutually agreed upon by the Developer and the City on or before the First Approval Deadline, insuring fee simple title to the New City Parcel, the Fire Station Appurtenances and the Fire Station Improvements in City, or its nominee, free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants, and all other exceptions, liens and encumbrances except for (i) the Tower Project Easement Agreement, (ii) the Reciprocal Easement Agreement, and (iii) the Accepted City Conditions of Title (defined as follows). The "**Accepted City Conditions of Title**" means (1) a lien not yet due and payable for property taxes for the fiscal year in which the Final Closing occurs, (2) the exceptions listed in Exhibit I-2, and (3) such other exceptions arising from the development, operation and/or use of the Combined Project as may be approved by the City in writing prior to the Final Closing Date, which approval shall not be unreasonably withheld (the "**Accepted City Conditions of Title**"). The City Title Policy shall provide full coverage against mechanics' and materialmen's liens, and contain an affirmative endorsement that there are no violations of restrictive covenants affecting the Fire Station Property and such special endorsements as City may reasonably request.

(c) Delivery of title in accordance with Section 6.1(c) shall be evidenced by the commitment of Title Company to issue to Developer, or its nominee, an ALTA extended coverage owner's policy of title insurance (2006 Form) (the "**Developer Fee Title Policy**") in an amount to be mutually agreed upon by the Developer and the City on or before the First Approval Deadline, insuring fee simple title to the Existing City Property, the Tower Appurtenances and the Tower Improvements in the Developer, or its nominee, subject to (i) the Reciprocal Easement Agreement, (ii) the Accepted Developer Conditions of Title, (iii) a lien not yet due and payable for property taxes for the fiscal year in which the Final Closing occurs, and (iv) any exceptions approved in writing by Developer before the Final Closing or caused by the acts of Developer or its Agents, but free of the liens of any and all other deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants, or any other exceptions, liens and encumbrances resulting from any actions by City (or the City's failure to act to the extent it is required to do so under the terms of the Ground Lease) as the fee owner of the Existing City Property after the Initial Closing.

6.3 Bills of Sale

At the Final Closing, (i) Developer shall transfer title to the Fire Station Personal Property to City by bill of sale in the form mutually approved by the parties (the "**Fire Station Bill of Sale**"), such title to be free of any liens, encumbrances or interests, and (ii) City shall transfer title to any of the Tower Personal Property owned by City to the Developer, by bill of sale in the form mutually approved by the parties (the "**Tower Bill of Sale**"), such title to be free of any liens, encumbrances or interests. In addition, at the Initial Closing, a bill of sale similar to the Tower Bill of Sale will be executed by the City pursuant to which the City shall transfer to

Developer any personal property located at the Existing City Property as of the Initial Closing, free and clear of any liens, encumbrances or interests.

6.4 Assignment of Contracts and Intangibles

(a) At the Final Closing, Developer shall transfer title to the Fire Station Intangible Property to City by an assignment in the form mutually approved by the parties (the "**Developer Assignment of Intangible Property**"). As part of the Developer Assignment of Intangible Property, Developer shall assign to the City all of Developer's rights, title and interest in contracts approved by the City during the term of this Agreement that Developer and the City expressly agree should be assigned to the City at the Final Closing (collectively, the "**Assumed Contracts**"). All Project Contracts, including the Architect Contract and the Construction Contract, together with all warranties and guarantees under the Project Contracts, will be assigned to the City upon the completion of the Station Project, without further consent of the Project Contractor and without additional payment to the Project Contractor, as set forth in the Construction Management Agreement. Any such contracts agreed to be assumed by City at the Final Closing shall be included in the Developer Assignment of Intangible Property. At or before the Final Closing, Developer shall terminate any contracts or agreements (expressly excluding any Project Contracts or agreements that are Accepted City Conditions of Title) not agreed to be assumed by City, without any liability to City. During the term of this Agreement, Developer shall use commercially reasonable efforts to monitor and enforce all of Developer's rights under the Assumed Contracts and any Project Contracts, and shall notify the City as soon as it learns of any material default or material work defect or deficiency.

(b) At the Final Closing, City shall transfer title to the Tower Intangible Property to Developer by an assignment in the form mutually approved by the parties (the "**City Assignment of Intangible Property**").

7. DUE DILIGENCE INVESTIGATIONS; RELEASE

7.1 Due Diligence Materials and Representations

Developer acquired the Existing Developer Property on June 17, 2019, and in connection therewith, Developer performed standard due diligence and obtained or procured various environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; site plans; and inspection reports by engineers or other licensed professionals (collectively, the "**Developer Documents**"). Developer represents and warrants that, to Developer's actual knowledge, all of the material Developer Documents in Developer's possession are listed in Exhibit J, and, to Developer's actual knowledge, Developer has delivered true and complete copies of the Developer Documents listed in Exhibit J to the City. At the Final Closing, Developer shall assign (to the extent assignable) to the City all of Developer's rights, warranties, guaranties, and interests in the Developer Documents to the extent they relate to the New City Parcel or the Station Project.

Developer acknowledges it has received copies of preliminary reports for the Existing City Property by Ticor Title Company of California for Order No. 00580887-988 dated September 20, 2019, and amended October 8, 2019, and dated June 12, 2020, and amended June 24, 2020 (the "**City Documents**"). City represents and warrants that, to City's actual knowledge, the City Documents and the documents listed as Item Nos. 3 and 4 in Exhibit O are the only material documents in possession of the Director of Property with respect to the condition of the Existing City Property, and the documents listed as Item No. 3 in Exhibit O are true and complete copies.

7.2 Due Diligence Period

(a) From the Effective Date through the First Approval Deadline (the "**Due Diligence Period**"), and subject to the provisions of Section 7.3 below, the City shall have a full opportunity to investigate the portion of the Existing Developer Property that is proposed for the New City Parcel, either independently or through agents of the City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Existing Developer Property as the City deems fit, as well as the suitability of the Existing Developer Property for a fire station.

City shall have the right (in its sole and absolute discretion) to terminate this Agreement without liability at any time during the Due Diligence Period upon written notice to Developer. If City does not terminate this Agreement during the Due Diligence Period, then following the expiration of the Due Diligence Period, the City shall be deemed to have approved of the conditions of the New City Parcel existing, and all items which could reasonably be discovered, before the expiration of the Due Diligence Period. Developer agrees to keep the City informed of any and all matters of significance with respect to the Existing Developer Property during the term of this Agreement, and to provide such additional information relating to the Existing Developer Property that is specifically reasonably requested by City of Developer from time to time.

(b) During the Due Diligence Period and subject to the provisions of Section 7.3 below, the Developer shall have a full opportunity to investigate the Existing City Property, either independently or through agents of the Developer's own choosing, to determine (i) all matters relating to title including, without limitation, the existence, quality, nature and adequacy of City's interest in the Existing City Property and the existence of physically open and legally sufficient access to the Existing City Property; (ii) the zoning and other legal status of the Existing City Property, including, without limitation, the compliance of the Existing City Property or its operation with any applicable codes, laws, regulations, statutes, ordinances and private or public covenants, conditions and restrictions, and all governmental and other legal requirements such as taxes, assessments, use permit requirements and building and fire codes; (iii) the quality, nature, adequacy and physical condition of the Existing City Property, including, but not limited to, the structural elements, foundation, roof, interior, landscaping, parking facilities, and the electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliances, and all other physical and functional aspects of the Existing City Property, provided Developer obtains City's prior written approval to any invasive testing; (iv) the quality, nature, adequacy, and physical, geological and environmental condition of the Existing City Property (including soils and any groundwater through invasive testing approved by the City), and the presence or absence of any Hazardous Materials (as defined in Section 11.1) in, on, under or about the Existing City Property or any other real property in the vicinity of the Existing City Property; and (v) the suitability of the Existing City Property for the Tower Project, the economics and development potential, if any, of the Existing City Property, and all other matters of material significance affecting the Existing City Property.

Developer shall have the right (in its sole and absolute discretion) to terminate this Agreement without liability at any time during the Due Diligence Period upon written notice to City. If Developer does not terminate this Agreement during the Due Diligence Period, then following the expiration of the Due Diligence Period, the Developer shall be deemed to have approved of the existing conditions of the Existing City Property and all items which could reasonably be discovered on or before the Due Diligence Period. City agrees to keep the Developer informed of any and all matters of significance with respect to the Existing City Property during the term of this Agreement, and to provide such additional information relating to the Existing City Property that is specifically and reasonably requested by Developer of City from time to time.

7.3 Entry

(a) Developer shall afford the City and its Agents reasonable access to the Existing Developer Property and all books and records relating to the condition of the Existing Developer Property at all times during the Due Diligence Period; provided, however, the City shall not be entitled to undertake any invasive inspection of the Existing Developer Property without Developer's prior consent. The City hereby agrees to indemnify and hold Developer harmless from any damage or injury to persons or property caused by the actions or inactions of City or its Agents during any such entries onto the Existing Developer Property pursuant to this Agreement, except to the extent such damage or injury is caused by the acts or omissions of Developer or any of its Agents. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions except to the extent the City aggravates any pre-existing environmental conditions on, in, under or about the Existing Developer Property. The provisions of this Section shall survive the Final Closing and the termination of this Agreement for the applicable statute of limitations.

(b) Prior to the Initial Closing, City shall afford the Developer and its Agents reasonable access to the Existing City Property and all books and records of City's Real Estate Division relating to the condition of the Existing City Property, at all reasonable times and with no less than five (5) business days prior notice from Developer to City; provided, however, the Developer shall not be entitled to undertake any invasive inspection of the Existing City Property prior to the Initial Closing Date without the City's prior consent. The Developer acknowledges the Existing City Property is a fire station and its investigations will be subject to reasonable restrictions to avoid any interference with its operations. The Developer hereby agrees to indemnify and hold City harmless from any damage or injury to persons or property caused by the actions or inactions of Developer or its Agents during any such entries onto the Existing City Property or at the offices of City's Real Estate Division pursuant to this Agreement, except to the extent such damage or injury is caused by the acts or omissions of City or any of its Agents. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions except to the extent the Developer aggravates any pre-existing environmental conditions on, in, under or about the Existing City Property. The provisions of this Section shall survive the Initial Closing, the Final Closing and the termination of this Agreement for the applicable statute of limitations.

7.4 City Release

By proceeding with the Final Closing in accordance with the terms and conditions of this Agreement, concurrently with the Final Closing, the City shall be deemed to have made its own independent investigation of the New City Parcel, the Fire Station Improvements, and the Developer Documents and the presence of any Hazardous Materials in or on the New City Parcel as City deems appropriate. Accordingly, subject to the representations and warranties of Developer expressly set forth in Section 11.1, the City, on behalf of itself and all of its officers, directors, shareholders, employees, representatives and affiliated entities (collectively, the "**City Releasers**") hereby, effective concurrently with the Final Closing, expressly waives and relinquishes any and all rights and remedies the City Releasers may now or hereafter have against Developer, its successors and assigns, partners, shareholders, officers and/or directors (the "**Developer Parties**"), whether known or unknown, which may arise from or be related to (a) the Developer Documents, (b) the physical condition, quality, quantity and state of repair of the New City Parcel and the Fire Station Improvements and the prior operation of the same, (c) the New City Parcel and Fire Station Improvements compliance or lack of compliance with any federal, state or local laws or regulations (including, without limitation, the failure of the Developer to comply with any energy disclosure requirements), and (d) any past or present existence of Hazardous Materials in or on the New City Parcel or with respect to any past or present violation of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials in or around the New City Parcel, including, without limitation, (i) any and all rights and remedies the City Releasers

may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, and the Toxic Substance Control Act, all as amended, and any similar state, local or federal environmental law, rule or regulation, and (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the New City Parcel under Section 107 of CERCLA (42 U.S.C.A. §9607).

7.5 Developer Release

By proceeding with the Initial Closing, Developer shall be deemed to have made its own independent investigation of the Existing City Property and the presence of any Hazardous Materials in or on the Existing City Property as Developer deems appropriate and all matters related to the Regulatory Approvals. Accordingly, Developer, on behalf of itself and all of its officers, directors, shareholders, employees, representatives and affiliated entities (collectively, the "**Developer Releasers**"), effective concurrently with the Initial Closing, expressly waives and relinquishes any and all rights and remedies the Developer Releasers may now or hereafter have against the City, its successors and assigns, officers, members, commissioners and/or employees (the "**City Parties**"), whether known or unknown, which may arise from or be related to (a) the Regulatory Approvals, including all acts and omissions by the City Parties in granting, conditioning or denying any City approval relating to the Station Project or the Tower Project, (b) the physical condition, quality, quantity and state of repair of the Existing City Property and the prior management and operation of the Existing City Property, (c) the Existing City Property's compliance or lack of compliance with any federal, state or local laws or regulations (including, without limitation, the failure of City to comply with any energy disclosure requirements), and (d) any past or present existence of Hazardous Materials in or on the Existing City Property or with respect to any past or present violation of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials in or around the Existing City Property, including, without limitation, (i) any and all rights and remedies the Developer Releasers may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, and the Toxic Substance Control Act, all as amended, and any similar state, local or federal environmental law, rule or regulation, and (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Existing City Property under Section 107 of CERCLA (42 U.S.C.A. §9607).

7.6 , Under Section 1542

WITH RESPECT TO THE RELEASES IN SECTION 7.4 AND SECTION 7.5, CITY, ON BEHALF OF ITSELF AND THE OTHER CITY RELEASERS, AND DEVELOPER, ON BEHALF OF ITSELF AND THE OTHER DEVELOPER RELEASERS, EACH ACKNOWLEDGE THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BY INITIALING BELOW, THE CITY, ON BEHALF OF ITSELF AND THE OTHER CITY RELEASERS, AND DEVELOPER, ON BEHALF OF ITSELF AND THE OTHER DEVELOPER RELEASERS, WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN

CONNECTION WITH THE MATTERS THAT ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

City's Initials: DS AQP Developer's Initials: DS [Signature]

THE FOREGOING WAIVERS, RELEASES AND AGREEMENTS SHALL SURVIVE THE INITIAL CLOSING AND THE FINAL CLOSING, AS APPLICABLE, AND THE EXECUTION OF THE GROUND LEASE AND RECORDATION OF THE FIRE STATION DEED AND THE CITY PROPERTY DEED (WITHOUT LIMITATION) AND SHALL NOT BE DEEMED MERGED INTO THE GROUND LEASE UPON ITS FULL EXECUTION OR INTO THE FIRE STATION DEED OR THE CITY PROPERTY DEED UPON THEIR RECORDATION. THE FOREGOING RELEASES SHALL NOT APPLY TO ANY RIGHTS THE PARTIES MAY HAVE UNDER THIS AGREEMENT TO THE EXTENT SUCH RIGHTS EXPRESSLY SURVIVE THE INITIAL CLOSING OR THE FINAL CLOSING, AS APPLICABLE, OR AGAINST GENERAL CONTRACTOR OR ARCHITECT UNDER THE TERMS OF THE CONSTRUCTION CONTRACT OR THE ARCHITECT CONTRACT.

8. CLOSING CONDITIONS

8.1 City's Conditions to Initial Closing and Final Closing

The following are conditions precedent to the City's obligation to consummate the Initial Closing and the Final Closing, as applicable, as provided under this Agreement (collectively, "City's Conditions Precedent"):

- (a) As to the Initial Closing, the adoption of a resolution or ordinance ratifying this Agreement by the City's Board of Supervisors and Mayor on the Agreement Ratification Date.
- (b) As to the Initial Closing, the adoption of a resolution or ordinance approving the final forms of the Architect Contract, Construction Contract, the Construction Management Agreement, and the Ground Lease, and the forms of the Tower Project Easement Agreement and the Reciprocal Easement Agreement by the City's Board of Supervisors and Mayor on or before the Agreement Ratification Date.
- (c) As to the Final Closing, there shall be no changes to the forms of the Tower Project Easement Agreement or the Reciprocal Easement Agreement from the Agreement Ratification Date that materially reduce City's benefits or materially increase City's obligations, unless the City's Board of Supervisors and Mayor have adopted adoption a resolution or ordinance authorizing such changes.
- (d) As to the Final Closing, the City's approval of the legal description of the New City Parcel.
- (e) As to the Final Closing, City's review, approval, and acceptance of completed construction of the Fire Station Improvements on the New City Parcel in compliance with the Construction Management Agreement, issuance of a TCO with respect to the Fire Station Improvements, and the New City Parcel being a separate legal parcel.
- (f) As to the Final Closing, the Title Company's commitment to issue at the Final Closing to the City or its nominee the City Title Policy.
- (g) As to the Final Closing, Developer's delivery of an ALTA survey of the New City Parcel prepared by a licensed surveyor (the "Survey"). The Survey shall be reasonably

acceptable to, and certified to, the City and Title Company and in sufficient detail for Title Company to provide the City Title Policy without any boundary, encroachment or survey exceptions that would have a Material Adverse Effect.

(h) As to the Final Closing, City's review and approval of the Assumed Contracts to be assigned to the City under the Developer's Assignment of Intangible Property. Without the City's approval (not to be unreasonably withheld), and except as otherwise expressly permitted under this Agreement, there shall be no contracts other than the Assumed Contracts, the Project Contracts and the Accepted City Conditions of Title affecting or encumbering the New City Parcel, and no third party occupancy rights, as of the Final Closing Date. At the time of Final Closing there will be no outstanding written or oral contracts made by Developer for any of the Fire Station Improvements that have not been fully paid for and Developer shall cause to be discharged (or bonded over) all mechanics' or materialmen's liens arising from any labor or materials furnished to the New City Parcel before the time of Final Closing. Except as may be approved by the City (which approval shall not be unreasonably withheld), there shall be no obligations in connection with the New City Parcel which will be binding upon City after Closing except for the Accepted City Conditions of Title and the Assumed Contracts.

(i) As to the Initial Closing, there shall be no change in the physical and environmental condition of the New City Parcel since the date of the expiration of the Due Diligence Period that would have a Material Adverse Effect and, as to the Initial Closing and the Final Closing, there shall be no change in the physical and environmental condition of the New City Parcel since the date of the expiration of the Due Diligence Period and caused by Developer or any of Developer's Agents (subject to the changes contemplated and required for the Station Project) that would have a Material Adverse Effect.

(j) As to the Initial Closing and the Final Closing, no Developer Event of Default shall exist (and no notice of default shall have been given by the City that remains uncured) and all of Developer's representations and warranties contained in or made pursuant to this Agreement shall be true and correct in all material respects or, if such is not the case (i.e., the existence of an Event of Default or a representation or warranty is untrue), such failure does not have a Material Adverse Effect. At the Initial Closing and Final Closing, Developer shall deliver to the City a certificate in the form attached hereto as Exhibit K-1 as to the Initial Closing and in the form attached hereto as Exhibit K-2 as to the Final Closing, certifying whether each of Developer's representations and warranties contained in this Agreement continue to be true and correct in all material respects as of the Initial Closing Date and as of the Final Closing Date, as applicable.

(k) As to the Initial Closing and the Final Closing, Developer shall have delivered all documents and monies to Escrow required for the Initial Closing and the Final Closing, as applicable, including delivery of the closing documents required to be delivered in accordance with this Agreement by the City.

(l) As to the Initial Closing and the Final Closing, there shall be no litigation or administrative agency or other governmental proceeding that has been filed or threatened against the Developer, the Existing City Property, the New City Parcel or this Agreement which, after the Initial Closing or the Final Closing, could have a Material Adverse Effect.

(m) As to the Initial Closing, the deed of trust, assignment of leases and rents, security agreement, and fixture filing made by Developer for the benefit of SPT CA Fundings 2, LLC, recorded in the Official Records of San Francisco County as Document No. 2019-K783230-00 on June 18, 2019, shall be fully reconveyed.

(n) As to the Initial Closing, all Regulatory Approvals have been granted and are final, binding, and non-appealable.

The City's Conditions Precedent contained in this Section 8.1 are solely for the benefit of City. If any City's Condition Precedent is not satisfied as to the Initial Closing or Final Closing, the City shall have the right in its sole discretion to waive in writing the City's Condition Precedent in question and proceed with the Initial Closing or Final Closing. The waiver of any City's Condition Precedent shall not relieve Developer of any liability or obligation with respect to any covenant or agreement of Developer (except that, if the Final Closing occurs, any breached representation or warranty of which City has knowledge will be deemed waived and shall not survive the Final Closing).

If the sale of the New City Parcel is not consummated because of an Event of Default by Developer or if a City Condition Precedent cannot be fulfilled because Developer frustrated such fulfillment by some bad faith act or bad faith omission, the City may exercise all rights and remedies available, following applicable notice and cure periods, as set forth in, and subject to the provisions of, Section 9.6.

8.2 Developer's Conditions to Initial Closing and Final Closing

The following are conditions precedent to the Developer's obligation to consummate the Initial Closing and the Final Closing, as applicable, as provided under this Agreement (collectively, "**Developer's Conditions Precedent**," and, together with the City's Conditions Precedent, the "**Conditions Precedent**"):

(a) The satisfaction of the conditions referenced in Sections 8.1(a) and 8.1(b) above as to the Initial Closing, and satisfaction of the conditions referenced in Section 8.1(c) above as to the Final Closing.

(b) As to the Initial Closing, the Title Company's commitment to issue to the Developer or its permitted nominee the Developer Leasehold Title Policy at the Initial Closing, and as to the Final Closing, the Title Company's commitment to issue to the Developer or its permitted nominee the Developer Fee Title Policy at the Final Closing.

(c) As to the Initial Closing, Developer's approval of the final forms of the Ground Lease, Construction Management Agreement, Architect Contract, the Construction Contract, and the form of the Tower Project Easement Agreement and the Reciprocal Easement Agreement on or before the Agreement Ratification Date and, as to the Final Closing, Developer's approval of the final forms of the Tower Project Easement Agreement and the Reciprocal Easement Agreement.

(d) No City Event of Default shall exist and all of the City's representations and warranties contained in or made pursuant to this Agreement shall be true and correct in all material respects or, if such is not the case, such failure does not have a Material Adverse Effect. At the Initial Closing and the Final Closing, the City shall deliver to Developer a certificate in the form attached as Exhibit L-1 as to the Initial Closing, and in the form attached as Exhibit L-2 as to the Final Closing, certifying whether each of the City's representations and warranties contained in this Agreement continue to be true and correct as of the Initial Closing Date and as of the Final Closing Date, as applicable.

(e) As to the Initial Closing and the Final Closing, the City shall have delivered all documents and monies to Escrow required for the Initial Closing and the Final Closing, as applicable, including delivery of the closing documents required to be delivered in accordance with this Agreement by the City.

(f) As to the Initial Closing and the Final Closing, as applicable, there shall be no litigation or administrative agency or other governmental proceeding that has been filed against the City, the New Developer Parcel or this Agreement which after the Initial Closing or the Final Closing could have a Material Adverse Effect.

(g) As to the Initial Closing, there shall be no change in the physical and environmental condition of the Existing City Property since the date of the expiration of the Due Diligence Period that would have a Material Adverse Effect.

(h) As to the Initial Closing, all Regulatory Approvals have been granted and are final, binding, and non-appealable.

The Developer's Conditions Precedent contained in this Section 8.2 are solely for the benefit of Developer. If any Developer's Conditions Precedent is not satisfied, the Developer shall have the right in its sole discretion to waive in writing the Developer's Conditions Precedent in question and proceed with the Initial Closing and/or Final Closing, as applicable, as contemplated hereunder. The waiver of any Developer's Conditions Precedent shall not relieve City of any liability or obligation with respect to any covenant or agreement of City (except that, if the Initial Closing and/or Final Closing occurs, any breached representation or warranty of which Developer has knowledge (a) as of the Initial Closing will be deemed waived and shall not survive the Initial Closing, and (b) as of the Final Closing will be deemed waived and shall not survive the Final Closing.

If the sale of the leasehold estate, or the fee estate, in the Existing City Property is not consummated because of an Event of Default by the City or if a Condition Precedent cannot be fulfilled because the City frustrated such fulfillment by some bad faith act or bad faith omission, Developer may exercise all rights and remedies available, following applicable notice and cure periods, as set forth in Section 9.6.

For purposes of this Agreement, "**Material Adverse Effect**" shall mean any item or occurrence that (i) for the City, has a material adverse effect on the value of the New City Parcel or a material adverse effect on the condition of, or City's operation of, the Station Project and Developer does not elect (with no obligation to so elect) to fully mitigate such adverse effect by increasing the Maximum Cost to cover such reduction in the value of the New City Parcel or such condition or operation, or the cost (and Developer does not elect, with no obligation to so elect, to fully mitigate such increased cost or impaired condition or operation by increasing the Maximum Cost to cover such increased cost) or timing of, or the Developer's ability to complete, the Station Project, (ii) for the Developer, if the same will cause the Project Cost to exceed the Maximum Cost and the City does not elect (with no obligation to so elect) to pay for such excess amount, or the same has a material adverse effect on the value of the Existing City Property or the ability of the Developer to develop and/or own and operate the Tower Project, or (iii) for both parties, has a material adverse effect on that party's ability to perform its obligations under this Agreement.

8.3 Cooperation

Developer and City shall cooperate with each other and do all acts as may be reasonably requested (except that Developer shall not be required to pay any third party cost unless it can be applied towards the Maximum Cost or unless Developer is required to pay the same under the terms of the Construction Management Agreement, and neither party shall be required to incur any liability or potential liability as a result of such cooperation) by the other or as reasonably needed or expected to fulfill the Conditions Precedent including, without limitation, execution of any documents, applications or permits. Developer's representations and warranties to the City shall not be affected or released (except as expressly provided above) by the City's waiver or fulfillment of any City's Condition Precedent and City's representations and warranties to Developer shall not be affected or released (except as expressly provided above) by the Developer's waiver or fulfillment of any Developer's Condition Precedent. Developer hereby irrevocably authorizes the City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as the City may reasonably require to complete its due diligence investigations for the Existing Developer Property.

9. ESCROW AND CLOSING

9.1 Opening of Escrow

No less than ninety (90) days prior to the date scheduled for Initial Closing, the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the transactions contemplated hereby. Developer and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transactions contemplated under this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

9.2 Anticipated Closing Dates

(a) **Initial Closing.** The sale and transfer of the leasehold estate in the Existing City Property (including all improvements situated thereon) to the Developer by the City pursuant to the Ground Lease, all as contemplated under this Agreement (the "**Initial Closing**"), shall be held and delivery of all items to be made at the Initial Closing under the terms of this Agreement shall be made, at the offices of Title Company on a date (the "**Anticipated Initial Closing Date**") that is between the Agreement Ratification Date and the thirty-six (36) month anniversary of the Agreement Ratification Date. The Developer shall select the Anticipated Initial Closing Date (as the same may be extended in accordance with terms and conditions of this Agreement, including, without limitation, the provisions of Sections 2.1(a) and 2.10 of this Agreement), provided that the Developer shall provide City with at least sixty (60) business days' prior written notice of the Anticipated Initial Closing Date, or such other date as may be mutually agreed upon in writing by the parties in their sole discretion. Notwithstanding the foregoing, the Developer shall have the right to extend the Anticipated Initial Closing Date for a reasonable period of time to the extent that such Anticipated Initial Closing Date is delayed due to an Unavoidable Delay. The actual date that the Initial Closing occurs shall be hereinafter referred to as the "**Initial Closing Date**".

(b) **Final Closing.** The sale and transfer of the New City Parcel and the Station Project to the City by the Developer, and the transfer of fee title to the New Developer Parcel to the Developer by the City, all as contemplated under this Agreement (the "**Final Closing**"), shall be held and delivery of all items to be made at the Final Closing under the terms of this Agreement shall be made at the offices of the Title Company on a date (the "**Anticipated Final Closing Date**") that is the twentieth (20th) business day after DBI issues the TCO, or such other date as may be mutually agreed upon in writing by the parties in their sole discretion. The actual date that the Final Closing occurs shall be hereinafter referred to as the "**Final Closing Date**."

9.3 Developer's Delivery of Documents and Funds

At or before the Initial Closing and the Final Closing, as applicable, Developer shall deliver through escrow to the City, or its nominee, the following:

- (a) at the Final Closing, an original, duly executed and acknowledged Fire Station Deed;
- (b) at the Final Closing, an original, duly executed Fire Station Bill of Sale;
- (c) at the Final Closing, four (4) duly executed original counterparts of the Developer Assignment of Intangible Property and the City Assignment of Intangible Property;

(d) at the Final Closing, originals or copies of the Developer Documents, Assumed Contracts and any other items relating to the ownership or operation of the Fire Station Property not previously delivered to City;

(e) at the Final Closing, an original, duly executed and acknowledged Reciprocal Easement Agreement.

(f) at the Final Closing, an original, duly executed and acknowledged Tower Project Easement Agreement.

(g) at the Final Closing, a properly executed affidavit pursuant to Section 1445(b)(2) of the Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), in the form attached hereto as Exhibit M-1, and on which City is entitled to rely, that Developer is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;

(h) at the Final Closing, a properly executed California Franchise Tax Board Form 590 certifying that Developer is a California resident if Developer is an individual or Developer has a permanent place of business in California or is qualified to do business in California if Developer is a corporation or other evidence satisfactory to City that Developer is exempt from the withholding requirements of Section 18662 of the California Revenue and Taxation Code;

(i) at the Final Closing, such resolutions, authorizations, or other documents or agreements relating to Developer and its partners as the City or the Title Company may reasonably require to demonstrate the authority of Developer to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Developer to act for and bind Developer;

(j) at the Initial Closing and the Final Closing, a closing statement in form and content satisfactory to the City and Developer;

(k) at the Initial Closing and the Final Closing, the duly executed certificate in the form of Exhibit K-1 and form of Exhibit K-2, as applicable, attached hereto regarding the continued accuracy of Developer's representations and warranties as required by Section 8.1(j) hereof;

(l) at the Initial Closing, funds sufficient to pay the Additional Payment;

(m) at the Final Closing, funds sufficient to pay any Purchase Price Shortfall, and, at Initial Closing and Final Closing, all applicable closing and escrow costs to be paid by Developer under this Agreement;

(n) at the Initial Closing, four (4) duly executed original counterparts of the Ground Lease; and

(o) at the Initial Closing, four (4) duly executed original counterparts of the Construction Management Agreement.

9.4 City's Delivery of Documents and Funds

At or before the Initial Closing or the Final Closing, as applicable, the City shall deliver to Developer through escrow the following:

(a) at the Final Closing, an original acceptance of the Fire Station Deed executed by the Director of Property;

- (b) at the Final Closing, an original, duly executed and acknowledged City Property Deed;
- (c) at the Final Closing, an original and duly executed Tower Bill of Sale;
- (d) at the Final Closing, four (4) duly executed original counterparts of the of the Developer Assignment of Intangible Property and the City Assignment of Intangible Property;
- (e) at the Initial Closing and the Final Closing, a closing statement in form and content satisfactory to the City and Developer, executed by City;
- (f) at the Initial Closing and the Final Closing, the duly executed certificate in the form of Exhibit L-1 attached hereto as to the Initial Closing and the form of Exhibit L-2 attached hereto as to the Final Closing regarding the accuracy of the City's representations and warranties as required by Section 8.2(d) hereof;
- (g) at the Initial Closing and the Final Closing, such resolutions, authorizations, or other documents or agreements relating to City as Developer or the Title Company may reasonably require to demonstrate the authority of City to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of City to act for and bind City;
- (h) at the Final Closing, an original, duly executed and acknowledged Reciprocal Easement Agreement;
- (i) at the Final Closing, an original, duly executed and acknowledged Tower Project Easement Agreement;
- (j) at the Initial Closing, four (4) duly executed original counterparts of the Ground Lease;
- (k) at the Initial Closing, four (4) duly executed original counterparts of the Construction Management Agreement; and
- (l) at the Final Closing, a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code, in the form attached hereto as Exhibit M-2, and on which Developer is entitled to rely, that City is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

9.5 Other Documents

Developer and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the transactions contemplated hereunder for the Initial Closing and the Final Closing in accordance with the terms hereof.

9.6 Default and Remedies

(a) Default. The City and Developer agree to use good faith efforts to amicably resolve any disputes that may arise concerning the performance by either party of their obligations under this Agreement. If the parties are not able to resolve any dispute (not including Arbitration Matters), either party can refer the matter to nonbinding mediation in accordance with Section 3.2. If the parties cannot resolve a dispute through such mediation, or if neither party initiates mediation within ten (10) days of notification of the dispute, then the party alleging a breach or default by the other shall send to the other party a notice of default. Any

notice of default given by a party shall specify the nature of the alleged default and, where appropriate, the manner in which the default may be satisfactorily cured (if at all). The following shall constitute a default or breach of this Agreement (subject to expiration of all notice and cure periods as set forth below and subject to the limitations set forth below):

- (i) the failure to make any payment (between the parties only) within sixty (60) days following written notice that such payment was not made when due and demand for compliance;
- (ii) the appointment of a receiver to take possession of all or substantially all of the assets of a party (but not a receiver appointed at the request of the other party), or an assignment for the benefit of creditors, or any action taken or suffered by a party under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days;
- (iii) a failure to abide by the judgment or decision of the arbitrator following any Arbitration under Section 3.1, and such failure continues for thirty (30) days following written notice, plus any additional time necessary to appeal any arbitration decision to the extent permitted in Section 3.1(e) herein;
- (iv) a breach of a material representation or warranty under this Agreement, which breach is not or cannot be corrected by the breaching party within sixty (60) days following notice;
- (v) a transfer or attempted transfer or assignment of a party's rights or obligations under this Agreement without the prior consent of the other party (except as expressly permitted under this Agreement, such as any transfer to a lender permitted under Section 14.12(d)), and the failure to cancel or reverse the transfer or assignment within sixty (60) days following written notice and demand for compliance; and
- (vi) the failure to perform or fulfill any other material term, provision, obligation, or covenant of this Agreement or the Construction Management Agreement, and the continuation of such failure for a period of sixty (60) days following written notice and demand for compliance, or if such obligation cannot reasonably be cured within sixty (60) days, then the party fails to initiate the cure within thirty (30) days and diligently prosecutes the same to completion within such time as is reasonably required.

Notwithstanding anything to the contrary above, the items listed in clauses (ii) and (iii) above shall not be subject to mediation under Section 3.2 and there will be no cure periods beyond the time period listed above. For purposes of this Agreement, (1) "**City Event of Default**" shall mean the occurrence of any of the events in Sections 9.6(a) by City; and (2) "**Developer Event of Default**" shall mean the occurrence of any of the events in Section 9.6(a) by Developer; provided, however, notwithstanding the foregoing, neither City nor Developer shall be in default of this Agreement unless the notice and cure period set forth above in this Section 9.6(a) shall have expired (regardless whether the default or breach is curable).

(b) Remedies.

(i) City Remedies Upon Developer Event of Default. Upon the occurrence of a Developer Event of Default, the City shall have as its sole and exclusive remedy the right to elect one of the following:

- (A) to terminate this Agreement, and bring an action against Developer for actual damages, expressly excluding special, indirect, consequential, remote, incidental or punitive damages or damages for lost profits or opportunities; provided, however, under no

circumstances shall Developer's liability for any damages incurred by the City in connection with one or more Developer Events of Default exceed, in the aggregate, the sum of \$11,000,000 (and, for the breach of a representation or warranty, shall not exceed \$1,250,000 as set forth in Section 14.5), or

(B) to bring a suit for specific performance provided that any suit for specific performance must be brought within sixty (60) days following the occurrence of the Developer Event of Default.

(ii) Developer Remedies Upon City Event of Default. Upon the occurrence of a City Event of Default, Developer shall have as its sole and exclusive remedy the right to elect one of the following:

(A) to terminate this Agreement, and bring an action against the City for actual damages (including Design and Entitlement Costs expended by Developer) expressly excluding special, indirect, remote, incidental or punitive damages or damages for lost profits or opportunities; provided, however, under no circumstances shall City's liability for any damages incurred by the Developer in connection with one or more City Events of Default exceed, in the aggregate, the sum of \$11,000,000 (and, for the breach of a representation or warranty, shall not exceed \$1,250,000 as set forth in Section 14.5), or

(B) to bring a suit for specific performance provided that any suit for specific performance must be brought within sixty (60) days following the occurrence of the City Event of Default.

(c) No Personal Liability. Notwithstanding anything to the contrary in this Agreement, (i) no individual board member, director, commissioner, officer, employee, official or agent of the City, direct or indirect, shall be personally liable to Developer in the event of any default by the City, or for any amount which may become due to Developer under this Agreement, and (ii) no individual board member, director, officer, employee, official, partner, member, employee or agent of Developer, direct or indirect, shall be personally liable to the City in the event of any default by Developer or for any amount which may become due to the City under this Agreement.

9.7 Title Company as Real Estate Reporting Person

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "**Reporting Requirements**") require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to City, in connection with the Initial Closing and the Final Closing. Developer and City agree that if the Initial Closing and Final Closing occur, Title Company will be the party responsible for closing the transactions contemplated in this Agreement and is hereby designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company shall perform all duties required of the real estate reporting person for the Initial Closing and Final Closing under the Reporting Requirements, and Developer and City shall each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Initial Closing and Final Closing.

10. EXPENSES AND TAXES

10.1 Apportionments

The following are to be apportioned through escrow as of the Initial Closing Date and the Final Closing Date:

(a) Utility Charges. On the Final Closing Date, Developer shall cause all the utility meters for the New City Parcel to be read on the Final Closing Date, and will be responsible for the cost of all utilities used at the New City Parcel before the Final Closing Date and City shall be responsible for such cost on and after the Final Closing Date. On the Initial Closing Date, the City shall cause all the utility meters for the Existing City Property to be read on the Initial Closing Date, and City will be responsible for the cost of all utilities used at the Existing City Property before the Initial Closing Date and Developer will be responsible for such cost on and after the Initial Closing Date.

(b) Other Apportionments. On the Final Closing Date, amounts payable under any contracts approved by the City and liability for other normal property operation and maintenance expenses and other recurring costs for the New City Parcel shall be apportioned as of the Final Closing Date. On the Final Closing Date, Developer shall pay all amounts due for the period before the Final Closing and City shall be responsible on and after the Final Closing. Carrying costs properly incurred in connection with the New City Parcel as generally contemplated by the Project Budget will be included in the calculation of the Project Cost.

On the Initial Closing Date, amounts payable under any contracts approved by Developer and liability for other normal property operation and maintenance expenses and other recurring costs for the Existing City Property shall be apportioned as of the Initial Closing Date. On the Initial Closing Date, City shall pay all amounts due for the period prior to the Initial Closing Date and Developer shall be responsible for such amounts and liability on and after the Final Closing Date to the extent the same are disclosed to Developer prior to the expiration of the Due Diligence Period.

10.2 Closing Costs

On the Initial Closing Date and the Final Closing Date, as applicable, Developer shall pay the cost of the Survey, the premium for the City Title Policy, the Developer Fee Title Policy, the Developer Leasehold Title Policy, and the cost of the endorsements thereto, and escrow and recording fees, any transfer taxes applicable to the transfers contemplated under this Agreement, any sales tax on Station Personal Property, and any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be paid by the Developer. The New City Parcel transfer tax, City Title Policy premium and ten percent (10%) of the escrow fees paid by Developer under this Section 10.2 shall be applied against (and counted towards) the Maximum Cost.

10.3 Real Estate Taxes and Special Assessments

(a) General real estate taxes payable for the tax year prior to the year of the Final Closing and all prior years for the New City Parcel shall be paid by Developer at or before the Final Closing. At or before the Final Closing, Developer shall pay the full amount of any special assessments against the New City Parcel, including, without limitation, interest payable thereon, applicable to the period prior the Final Closing Date. After the Initial Closing, Developer shall pay the full amount of any special assessments against the Existing City Property, including, without limitation, interest payable thereon, applicable to the period on or after the Initial Closing Date. Any and all general real estate taxes and/or special assessments applicable to the New City Parcel and paid by Developer for the period after the Initial Closing shall be applied against (and counted towards) the Maximum Cost; provided, however, such amount that is to be applied to the Maximum Cost shall be reduced by the portion of such real estate taxes and special assessments, if any, that are attributable to the portion of the Tower Project, if any, that extends into the air space over the New City Parcel to the extent, and only to the extent, such portion of the Tower Project that extends into the air space over the New City Parcel is not part of a lot or parcel owned by Developer.

(b) Developer acknowledges that, as a Charter county and city, real estate taxes will not be assessed against the City with respect to the Existing City Property prior to the Initial Closing. General real estate taxes for the Existing City Property and payable for the portion of the tax year that occurs after the Initial Closing shall be prorated through escrow and paid by Developer as of the Initial Closing Date.

10.4 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Initial Closing Date as to the Existing City Property or the Final Closing Date as to the New City Parcel, then they shall be calculated as soon after the Initial Closing Date and the Final Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

10.5 Survival

The provisions of this Section shall survive the Initial Closing and the Final Closing.

11. REPRESENTATIONS AND WARRANTIES; RELEASE

11.1 Representations and Warranties of Developer

Except as set forth in Exhibit N-1 ("**Developer's General Disclosures**"), Developer represents and warrants to the City as follows as of the Effective Date:

(a) To Developer's actual knowledge, (i) there are no material physical or mechanical defects of the Existing Developer Property, and (ii) there are no violations of any laws, rules or regulations applicable to the Existing Developer Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) To Developer's actual knowledge, the Developer Documents furnished to the City are all of the relevant documents and information pertaining to the condition and operation of the Existing Developer Property.

(c) To Developer's actual knowledge, except as disclosed to City, no document or instrument furnished by the Developer to the City pursuant to this Agreement contains any untrue statement of material fact or is materially misleading.

(d) Developer has not received written notification from any governmental agency of any condemnation, either instituted or planned to be instituted, by any governmental or quasi-governmental agency other than the City, which could detrimentally affect the use, operation or value of the Existing Developer Property.

(e) To Developer's actual knowledge, all water, sewer, gas, electric, telephone, and drainage facilities and all other utilities required by law or for the normal use and operation of the Existing Developer Property are installed to the property lines of the Existing Developer Property and are adequate to service the Existing Developer Property.

(f) To Developer's actual knowledge, except for the exceptions listed in Exhibit I-2, and except as otherwise disclosed to the City in writing prior to the expiration of the Due Diligence Period, other than the Reciprocal Easement Agreement and Tower Project Easement Agreement that will be executed at Final Closing, there are no easements or rights of way burdening the Existing Developer Property which are not of record with respect to the Existing Developer Property, and, except as disclosed to City in writing prior to the expiration of the Due

Diligence Period and except for the Reciprocal Easement Agreement and Tower Project Easement Agreement that will be executed at Final Closing, to Developer's actual knowledge, there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Existing Developer Property to gain access to other real property. To Developer's actual knowledge, except as disclosed to the City in writing prior to the expiration of the Due Diligence Period, there are no disputes with regard to the location of any fence or other monument of the Existing Developer's Property boundary nor any claims or actions involving the location of any fence or boundary.

(g) Developer has not received service of process with respect to any litigation that might detrimentally affect the use or operation of the Existing Developer Property for its intended purpose or the value of the Existing Developer Property or the ability of Developer to perform its obligations under this Agreement.

(h) Developer is the legal and equitable owner of the Existing Developer Property, with full right to convey the same, and without limiting the generality of the foregoing, and, except for the rights granted to the City hereunder, Developer has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Existing Developer Property.

(i) Developer is a limited liability company duly organized and validly existing under the laws of Delaware and in good standing under the laws of the State of California; this Agreement and all documents executed by Developer which are to be delivered to the City at the Initial Closing and/or the Final Closing, are, or will be, duly authorized, executed and delivered by Developer, are, or at the Initial Closing and the Final Closing will be, legal, valid and binding obligations of Developer, enforceable against Developer in accordance with their respective terms, are, and at the Final Closing will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and at the Final Closing will not, violate any provision of any agreement or judicial order to which Developer is a party or to which Developer or the Existing Developer Property is subject.

(j) Developer represents and warrants to the City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Developer has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by the City.

(k) To Developer's actual knowledge, (i) except as described in the Developer Documents or in Exhibit N-2 ("**Developer's Environmental Disclosures**"), the Existing Developer Property is not in violation of any Environmental Laws; (ii) the Existing Developer Property is not now, nor has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material, except as described in the Developer Documents or in Developer's Environmental Disclosures and except for the use of such substances in such limited amounts as are customarily used in the construction or operation of office buildings and which are used in compliance with Environmental Laws; (iii) except as disclosed in the Developer Documents or Developer's Environmental Disclosures, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Existing Developer Property in violation of Environmental Laws; (iv) except as disclosed in the Developer Documents or Developer's Environmental Disclosures, there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the New City Parcel; (v) except as disclosed in the Developer Documents or Developer's Environmental Disclosures, the Existing Developer Property does not consist of any landfill or of any building materials that contain Hazardous Material in violation of Environmental Laws; and (vi) except as disclosed in the Developer Documents or Developer's Environmental Disclosures, the Existing Developer

Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the New City Parcel, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

(A) **"Environmental Laws"** shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Existing Developer Property, including, without limitation, soil, air and groundwater conditions.

(B) **"Hazardous Material"** shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed, currently or in the future, by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the improvements or are naturally occurring substances on or about the Existing Developer Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(C) **"Release"** or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Existing Developer Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(I) To Developer's actual knowledge, there are no contracts encumbering the Existing Developer Property that will be binding on the City after the Final Closing except for the Assumed Contracts (including contracts approved by the City in writing for assumption at Final Closing), the Accepted Conditions of Title, any Project Contracts and any contracts approved by the City (which approval shall not be unreasonably withheld).

(m) Developer is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

(n) To Developer's actual knowledge, except for the lease described on the attached Exhibit R (the **"Existing Lease"**), no party other than Developer will have any right to use, lease, or otherwise occupy the Existing Developer Property and no party other than City will have any right to acquire or purchase the portion of the Existing Developer Property that will become the New City Parcel.

(o) The Existing Lease was scheduled to expire before June of 2020 under its own terms, without any right to automatically convert to a month to month term or any extension options, before Developer acquired the Existing Developer Property. By an amendment effective as of June 18, 2020, Developer extended the term of the Existing Lease to December

31, 2020, without any right to automatically convert to a month to month term, any holdover rights, or any extension options.

For purposes hereof, the phrase "to Developer's actual knowledge" shall mean the actual knowledge of Matthew Witte and includes information obtained by Matthew Witte during the Developer's due diligence in the acquisition of the Existing Developer Property. Developer represents that this is the person within Developer's organization that have the most knowledge of the Existing Developer Property, and are therefore in the best position to give these representations.

11.2 Representations and Warranties of City

Except as set forth in the City Documents and Exhibit O ("City's General Disclosures"), City represents and warrants to the Developer as follows as of the Effective Date:

(a) To City's actual knowledge, there are no material physical or mechanical defects of the Existing City Property, and no violations of any laws, rules or regulations applicable to the Existing City Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) To City's actual knowledge, the City Documents, the documents listed as Item No. 3 in Exhibit O, and the document listed as Item Nos. 4 in Exhibit O that was furnished to City by the Developer, are all of the relevant documents and information pertaining to the condition of the Existing City Property in the possession of City's Real Estate Division.

(c) To City's actual knowledge, except as disclosed to the Developer, no document or instrument furnished by the City to the Developer pursuant to this Agreement contains any untrue statement of material fact or is materially misleading.

(d) City has not received written notification from any governmental agency of any condemnation, either instituted or planned to be instituted, by any governmental or quasi-governmental agency, that could detrimentally affect the use, operation or value of the Existing City Property.

(e) To City's actual knowledge, all water, sewer, gas, electric, telephone, and drainage facilities and all other utilities required by law or by the normal use and operation of the Existing City Property are installed to the property lines of the Existing City Property.

(f) To City's actual knowledge, other than the Reciprocal Easement Agreement that will be executed at Final Closing, there are no easements or rights of way burdening the Existing City Property that are not of record with respect to the Existing City Property, and, except as disclosed to the Developer in writing prior to the expiration of the Due Diligence Period and except for the Reciprocal Easement Agreement that will be executed at Final Closing, to City's actual knowledge, there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Existing City Property to gain access to other real property. To City's actual knowledge, there are no disputes with regard to the location of any fence or other monument of the Existing City Property boundary nor any claims or actions involving the location of any fence or boundary.

(g) City has not received service of process with respect to any litigation that might detrimentally affect the use or operation of the Existing City Property for the development of the Tower Project as contemplated under this Agreement or the value of the Existing City Property or the ability of City to perform its obligations under this Agreement.

(h) City is the legal and equitable owner of the Existing City Property, with full right to convey the same subject to the terms of this Agreement, and without limiting the generality of the foregoing, and, except for the rights granted to the Developer hereunder, City has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Existing City Property.

(i) To City's actual knowledge, except as described in the City Documents or in City's General Disclosures: (A) the Existing City Property is not in violation of any Environmental Laws; (B) Existing City Property is not now, nor has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material, except for the use of such substances in such limited amounts as are customarily used in the operation of fire stations and that are used in compliance with Environmental Laws; (C) there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Existing City Property in violation of Environmental Laws; (D) the Existing City Property does not consist of any landfill or of any building materials that contain Hazardous Material in violation of Environmental Laws; (E) the Existing City Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Existing City Property, or the migration of Hazardous Material from or to other property, and (F) except as disclosed in the City's General Disclosures, there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Existing City Property.

(j) There are no contracts encumbering the Existing City Property that will be binding on the Developer after the Initial Closing except for the Accepted Developer Conditions of Title.

(k) Except for this Agreement, no party has the right to acquire or lease the Existing City Property.

(l) City is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

For purposes hereof, the phrase "to City's actual knowledge" shall mean the actual knowledge of Andrico Penick. City represents that he is the person within City with the most knowledge of the Existing City Property, and is therefore in the best position to give these representations.

12. RISK OF LOSS, INSURANCE, AND POSSESSION

12.1 Risk of Loss of New City Parcel

(a) If any of the New City Parcel is damaged or destroyed before the Initial Closing Date, then Developer shall notify the City of such damage or destruction and whether it would increase the anticipated Project Costs. As the existing improvements on the New City Parcel are intended to be demolished, Developer shall not be responsible under this Agreement to rebuild such improvements but instead shall take appropriate steps to ensure the safety of all occupants and surrounding property. If City or Developer reasonably determine such damage or destruction will cause the Project Costs to exceed the Maximum Cost and neither party elects (with no obligation to so elect) to cover such increase in the Maximum Cost, then either party may elect to either terminate this Agreement by written notice of such termination to the other party within forty-five (45) days following Developer's notification to City of such damage or destruction.

(b) If any of the New City Parcel or the Fire Station Improvements are damaged or destroyed after the Initial Closing, the Developer shall be responsible, at its sole cost, for restoring such damage to the extent necessary to deliver the Station Project in the condition required by this Agreement and the Construction Management Agreement at Final Closing. If the Developer receives insurance proceeds to restore any damaged portion of the Fire Station Improvements, the insurance proceeds used for such restoration work shall not be treated as a Project Cost.

(c) In the event of any threatened condemnation proceedings against the New City Parcel, the parties shall meet and confer in good faith to discuss the potential condemnation and the appropriate response. If the proposed condemnation does not cause a Material Adverse Effect, as reasonably determined by the City, then the Developer shall proceed with the Station Project, making any necessary adjustments, and any and all condemnation proceeds will be used by the Developer in connection with the construction of the Station Project. If the proceeds have not been paid as of the Final Closing, Developer shall assign to City at Final Closing all of Developer's rights in and to the condemnation proceeds. If the condemnation is proposed prior to the Initial Closing and causes a Material Adverse Effect, then the City shall have the right to terminate this Agreement on forty-five (45) days prior written notice. If the condemnation is proposed after the Initial Closing and before the Final Closing and causes a Material Adverse Effect, then any and all condemnation proceeds will be assigned to City, the parties shall proceed to Final Closing (in which event Developer shall not be obligated to construct the Fire Station Improvements, but the City shall be obligated to execute and deliver to the Developer the City Property Deed (and all other related documents), with Developer paying any amount by which the Maximum Cost exceeds the Project Costs paid as of the Final Closing, and delivering the Final Closing documents described in Section 9.3, modified as appropriate to only convey the remaining portion of the New City Parcel following any such condemnation.

(d) City shall have no obligation to pay for the Design and Entitlement Costs or the Project Costs if this Agreement terminates pursuant to this Section 12.1.

12.2 Risk of Loss of Existing City Property

(a) If any of the Existing City Property is damaged or destroyed before the Initial Closing, and such damage or destruction is estimated by Developer to cause the cost of constructing the Tower Project to increase by more than five percent (5%) and Developer does not elect (with no obligation to so elect) to cover such increase, then the Developer shall have the right to terminate this Agreement by delivering written notice of such termination to City. The Developer shall make its election to terminate this Agreement within forty-five (45) days of learning of the amount of the increase.

(b) If any of the Existing City Property or Tower Project is damaged or destroyed after the Initial Closing, the Developer shall be responsible, at its sole cost, for restoring such damage to the extent necessary to deliver the Station Project in the condition required by this Agreement and the Construction Management Agreement at Final Closing and City shall have no obligation to restore any damage to the Existing City Property or Tower Project.

(c) In the event of any threatened condemnation proceedings against the Existing City Property prior to the Initial Closing, Developer shall have the right to terminate this Agreement on forty-five (45) days prior written notice of receiving City's written notice of such proposed condemnation by delivering written notice of such termination to City. In the event of any threatened condemnation proceedings against the Existing City Property after the Initial Closing and before the Final Closing, all condemnation proceeds will be disbursed as set forth in the Ground Lease and the parties shall proceed to Final Closing, with City delivering the Final Closing documents described in Section 9.2, modified as appropriate to only convey the remaining portion of the Existing City Property.

(d) City shall have no obligation to pay for the Design and Entitlement Costs or the Project Costs if this Agreement terminates pursuant to this Section 12.1.

13. MAINTENANCE; CONSENT TO NEW CONTRACTS

13.1 Maintenance of Property

(a) During the term of this Agreement (i) so long as the Existing Lease is in effect, Developer shall enforce its rights under the Existing Lease to require the tenant thereunder to maintain the Existing Developer Property consistent with its obligations under the Existing Lease, and (ii) upon termination of the Existing Lease and the Existing Lease tenant vacating its premises thereunder, Developer shall use commercially reasonable efforts to maintain the Existing Developer Property in good order and condition and in compliance with applicable laws. Developer shall not extend the existing term of the Existing Lease nor, subject to any unilateral rights that the tenant may have under applicable law, regulation, or ordinance, allow any holdover by the Existing Lease tenant at the Existing Developer Property.

(b) During the term of this Agreement, City shall keep the Existing City Property in good order and condition and in compliance with applicable laws and shall not execute any documents that would continue to burden or affect the Existing City Property after the Initial Closing, nor take, in its proprietary capacity, any action at the Existing City Property that could adversely affect the ability of the Developer to construct and develop the Tower Project. Notwithstanding anything to the contrary in the foregoing sentence, Developer agrees City's current fire station operations will not be deemed to adversely affect Developer's ability to construct, develop, and operate the Tower Project provided City vacates the Existing City Property at the time specified in the Ground Lease.

13.2 City's Consent to New Contracts Affecting the New City Parcel; Termination of Existing Contracts

Except for the Tower Project Easement Agreement and the Reciprocal Easement Agreement, the Assumed Contracts, the Project Contracts approved by the City, the Pre-Approved Project Contracts, and the Accepted City Conditions to Title, Developer shall not enter into any lease or contract, or any amendment thereof, that will affect the New City Parcel after the completion of the Station Project, without in each instance obtaining the City's prior written consent thereto. The City agrees that it shall not unreasonably withhold any such consent and, in connection therewith, acknowledges that there are likely to be easements that Developer must provide in order to develop and operate the Station Project, all of which shall be considered Accepted City Conditions to Title upon the City's approval of the same (which approval will not be unreasonably withheld or delayed). Developer shall terminate before the Final Closing, at no cost or expense to City, any and all agreements entered into or assumed by Developer and affecting the Fire Station Property except for the Assumed Contracts, the Project Contracts, the Pre-Approved Project Contracts and the Accepted City Conditions to Title and any other contracts approved by the City as provided hereunder, and shall deliver full possession of the Fire Station Property to the City at Final Closing. The provisions set forth in the foregoing sentence of this Section shall survive the Final Closing with respect to any agreements Developer fails to terminate as required by such sentence, but only to the extent City did not have actual knowledge of any such agreement or the Developer's failure to terminate the same as of the Final Closing. Notwithstanding anything stated to the contrary in this Section 13.2 or elsewhere in this Agreement, Developer shall have the right from time to time to encumber all or portions of the Existing Developer Property and/or the Existing City Property with a deed of trust or other security instrument to secure financing procured by Developer for the acquisition, development and/or construction of the Station Project and/or the Tower Project provided that Developer causes any such acquisition deed of trust or other security instrument to be released from the

New City Parcel prior to the Initial Closing and Developer causes any such deed of trust or other security instrument for the development and/or construction of the Station Project and/or the Tower Project to be released from the New City Parcel prior to the Final Closing.

14. GENERAL PROVISIONS

14.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: **530 Sansome Property Exchange**
Telephone No. (415) 554-9860
Email Address: andrico.penick@sfgov.org

with copy to:

Carol Wong
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: **530 Sansome Property Exchange**
Telephone No. (415) 554-4711
Email Address: carol.r.wong@sfcityatt.org

Developer:

EQX Jackson SQ Holdco LLC
44 Montgomery Street
Suite 1300
San Francisco, CA 94104
Attn: Gino Canori
Telephone No. (415) 653-3183
Email Address: gcanori@related.com

with a copy to:

Greenberg Traurig LLP
3161 Michelson Drive, Suite 1000
Irvine, California 92612
Attention: L. Bruce Fischer, Esq.
Telephone No.: (949) 732-6670
Email Address: fischerb@gtlaw.com

and a copy by email to:

The Related Companies, L.P.
60 Columbus Circle
New York, New York 10021
Attention: Jennifer A. McCool
Telephone No.: (212) 801-3478
Email Address: jmccool@related.com

or to such other address as either party may from time to time specify in writing to the other

upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by email, to the email addresses listed above, or as otherwise provided from time to time. However, neither party may give official or binding notice by email unless, because of circumstances beyond such party's control, (i) it is not reasonably possible to timely provide notice by a means other than by email, and (ii) at the time of sending such email, the sending party verbally notifies the other party of such email using the telephone numbers set forth above, with any such verbal simultaneous notice given by Developer to City also being made to Andrico Penick at (415) 554-9860 or to any other City person (and telephone number) designated to receive such additional verbal notice for City in a writing delivered by the Director of Property to the Developer.

14.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Existing City Property or the Existing Developer Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the property transfers contemplated herein, except for John Jensen and Richard Johnson of Colliers International ("**Colliers**") representing City, and neither party has engaged any other broker in connection with this proposed transaction. Colliers shall earn a fee under their contract with the City if the Final Closing occurs, which shall be paid by Developer to Colliers at Final Closing, and shall be credited towards the Maximum Cost (or shall be paid in any other manner mutually approved by City and the Developer in their sole and absolute discretion). If any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section 14.2 shall survive the Initial Closing for the applicable statute of limitations.

14.3 Successors and Assigns

Neither party shall assign or transfer its rights or obligations under this Agreement without first obtaining the prior written consent of the other party; provided Developer shall have the right to assign this Agreement (a) to an entity in which an affiliate of Developer is the managing member, the manager or the sole member (directly or indirectly), except that Developer shall not be released from its obligations under this Agreement and such assignee shall assume all of Developer's obligations under this Agreement pursuant to an assignment and assumption agreement reasonably acceptable to the City, and (b) as provided in Section 14.12 (d) below.

14.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by the City and Developer.

14.5 Continuation and Survival of Representations and Warranties; Survival of Certain Covenants and Conditions

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement shall, subject to the terms and conditions of this Agreement, be deemed to be material, and, (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Initial Closing (as to the representations and warranties that related to the Initial Closing) and the Final Closing (as to the representations and warranties that apply to the Final Closing) for a period of

twenty-four (24) months following the Initial Closing and the Final Closing, respectively (and shall survive in any action for termination and/or damages based upon the alleged breach of the representation or warranty that is filed within the time frames permitted under this Agreement); provided, however, in no event shall the City's or Developer's liability, if any, following the Initial Closing and the Final Closing, with respect to the breach of any representations and warranties, exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) in the aggregate for both the Initial Closing and the Final Closing. Except as otherwise expressly provided in this Agreement, none of the covenants or conditions of the Developer or the City under this Agreement shall (a) survive the termination of this Agreement, except in connection with an action by such party for termination of this Agreement and damages based on the alleged breach of such covenant or condition, or (b) survive the Initial Closing or the Final Closing; provided, however, notwithstanding the foregoing or anything contained to the contrary in this Agreement, those covenants and conditions of the parties that relate to the transactions contemplated by the Final Closing shall expressly survive the Initial Closing. In addition, notwithstanding anything to the contrary in this Agreement, to the extent either Developer or the City has actual knowledge of a breached representation or warranty at the time of the Initial Closing or the Final Closing, such party with actual knowledge of such breached representation or warranty shall have no right to assert a claim against the other party after the Initial Closing or the Final Closing, as applicable, to the extent such claim relates to such breached representation or warranty.

14.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

14.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

14.8 Parties and Their Agents; Approvals

As used herein, the term "**Agents**" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. Notwithstanding anything stated to the contrary herein, all approvals, consents or other determinations required by City hereunder shall be made by or through the Director of Property and any approval by the Director of Property shall constitute the approval by the City (as noted above, the City is acting in its proprietary capacity under this Agreement, so any City regulatory actions, including the issuance or denial of any Regulatory Approval, shall not be a City approval or action under this Agreement). All approvals, consents or other determinations required by the City or Developer must be in writing except to the extent deemed approved in accordance with the terms of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, with respect to all approvals and/or consents required under this Agreement, if a party fails to approve, disapprove or approve conditionally any approval or consent requested by the other party in writing within seven (7) business days following receipt of a written request for approval or consent, so long as the applicable documents are complete (and if such documents are not complete, the recipient shall so notify the sender in writing within three (3) business days following receipt of the documents), then the requesting party may submit a second written

notice to the other party requesting approval of the submittal within three (3) business days after the second notice. A party's failure to timely respond to the other party's request for an approval, consent or determination of any matter shall constitute a failure by such party to comply with a material term of this Agreement.

14.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

14.10 Attorneys' Fees

If either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

14.11 Sunshine Ordinance

Developer understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. Developer hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

14.12 Memorandum of Agreement; Memorandum of Construction Management Agreement; Collateral Assignment of Agreement

(a) Memorandum of Agreement.

(i) Promptly following the Effective Date, the parties shall execute and acknowledge two original copies of a memorandum of agreement in the form attached hereto as Exhibit P ("**Memorandum of Conditional Exchange Agreement**"), and Developer shall promptly record one original copy of the Memorandum of Conditional Exchange Agreement against the Existing Developer Property, and City shall promptly record one original copy of the Memorandum of Conditional Exchange Agreement against the Existing City Property, in the Official Records of the County in San Francisco, California.

(ii) Within ten (10) business days of receiving a subordination agreement to subordinate, during the period between the Effective Date and the Initial Closing, the Memorandum of Conditional Exchange Agreement and the terms of this Agreement to the lien of any deed of trust or other security interest encumbering the Existing Developer Property to secure Developer's predevelopment and acquisition loan and/or a construction loan for the Existing Developer Property, City shall execute, acknowledge and record such subordination agreement in the Official Records of the County of San Francisco, California as long as such subordination agreement is in a form that is approved by City, which approval shall not be unreasonably withheld. If such form is not approved by City, City shall deliver written notice of its required changes to the form to Developer within such ten (10) business day period.

(iii) Within five (5) business days following Developer's written request and delivery of a mutually-agreeable release to release the Memorandum of Conditional Exchange Agreement from that portion of the Existing Developer Property that will not be part of the New City Parcel, the City shall execute, acknowledge and record such release in the Official Records of the County of San Francisco, California.

(b) Memorandum of Construction Management Agreement. Promptly following the execution and delivery of the Construction Management Agreement, the City and Developer shall execute and acknowledge a mutually-agreeable memorandum ("**Memorandum of Construction Management Agreement**") of the Construction Management Agreement, which will be recorded against the Existing Developer Property in the Official Records of the County of San Francisco, California. Within five (5) business days following Developer's written request and delivery of a mutually-agreeable release that releases the Memorandum of Construction Management Agreement from that portion of the Existing Developer Property that will not be part of the New City Parcel, the City shall execute and record such release in the Official Records of the County of San Francisco, California.

(c) Collateral Assignment of Agreement. Developer shall have the right to collaterally assign to its lender(s), as collateral security for loans funding Developer's acquisition of the Existing City Property and the Existing Developer Property and the development and/or construction of the Tower Project and/or the Station Project, its rights under this Agreement, and, within twenty (20) days following Developer's written request, City shall execute such documents as may be reasonably required by Developer's lender(s) to perfect such collateral assignment and to allow such lender(s) to enforce the terms and conditions of this Agreement subject to such lender(s) assuming Developer's obligations under this Agreement. Without limiting the foregoing, City agrees to execute, within ten (10) days following Developer's written request, an Assignment of Conditional Property Exchange Agreement with respect to such loans in the form of that attached hereto as Exhibit Q.

14.13 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

14.14 Effective Date

As used herein, the term "**Effective Date**" shall mean the date on which (i) the City's Board of Supervisors and Mayor adopt a resolution approving and authorizing the Director of Property's execution of this Agreement and the transactions contemplated hereby, and (ii) each party executes and delivers this Agreement to the other party. The Effective Date of this Agreement is July 30, 2020.

14.15 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

14.16 Agreement Not to Market

Developer agrees that unless and until this Agreement terminates pursuant to its terms, neither Developer, nor any Agent on behalf of Developer, shall negotiate with any other parties pertaining to the sale of the Existing Developer Property and shall not market the Existing Developer Property to third parties. The City agrees that unless and until this Agreement terminates pursuant to its terms, neither the City, nor any Agent on behalf of the City, shall negotiate with any other party for the lease or purchase of the Existing City Property.

14.17 Confidential Information

Developer understands and agrees that, in the performance of its obligations under this Agreement, Developer may have access to the City's proprietary or confidential information, the disclosure of which to third parties may be damaging to the City. City understands and agrees that, in the performance of its obligations under this Agreement, City may have access to Developer's proprietary or confidential information, the disclosure of which to third parties may be damaging to Developer. Each party agrees to identify any information it gives to the other that it deems proprietary or confidential, and each party agrees to use reasonable care to safeguard any proprietary or confidential information from public disclosure. Notwithstanding the foregoing, if and to the extent any document or information is subject to disclosure under federal, state, or local law, including the California Public Records Act or the San Francisco Sunshine Ordinance, or a court order, such disclosure shall not be deemed a violation of this Agreement. Each party shall use reasonable efforts to notify the other of any disclosure request relating to any document marked as proprietary or confidential and discuss the basis for disclosing or withholding the document. If a party determines that it must, under applicable law, disclose a document that the other party has marked as proprietary and confidential, it shall provide the other party not less than forty-eight (48) hours' notice before any such disclosure in order to allow for the noticed party to seek an injunction to prevent the disclosure, provided that failure to provide such notice or any disclosure shall not be the basis for any liability under this Agreement.

14.18 Prohibitions on Campaign Contributions

For the purposes of this Section, a "**City Contractor**" is a party that contracts with, or seeks to contract with, the City for the sale or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on

which that City elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Agreement, Developer acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Developer acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Developer further acknowledges that (i) the prohibition on contributions applies to Developer, each member of Developer's board of directors, Developer's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Developer, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Developer, and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Developer certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 of the San Francisco Campaign and Governmental Conduct Code by the time it submitted a proposal for the contract to the City, and provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

14.19 Time of Essence

Time is of the essence with respect to the performance of the parties' respective obligations contained herein.

14.20 Non-Liability

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Developer, its successors and assigns, in the event of any default or breach by City or for any amount that may become due to Developer, its successors and assigns, or for any obligation of City under this Agreement.

14.21 Conflicts of Interest

Through its execution of this Agreement, Developer acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Developer shall immediately notify the City.

14.22 Tropical Hardwood and Virgin Redwood Ban

The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

14.23 Section References for Terms Defined in this Agreement

Each of the following terms is defined in the Section of this Agreement or in the Exhibit listed opposite it.

Term	Section/Exhibit
Accepted City Conditions of Title	Section 6.2 (b)
Accepted Developer Conditions of Title	Section 6.2 (a)
Additional Payment	Section 5.2
Agents	Section 14.8
Agreement	Introduction
Agreement Ratification Date	Section 1.7 (a)
Agreement Rejection	Section 1.7 (a)
Anticipated Initial Closing Date	Section 9.2 (a)
Anticipated Final Closing Date	Section 9.2 (b)
Apportionment	Section 1.3 (f)
Approved Contractors	Section 1.3 (e)
Approved Form of Construction Management Agreement	Section 2.1 (a)
Approved Form of Ground Lease	Section 2.10
Arbitration Matter	Section 3.1 (a)
Arbitration Notice	Section 3.1 (b)
Architect	Section 1.3 (a)
Architect Contract	Section 1.3 (b)
Assumed Contracts	Section 6.4 (a)
CEQA	Recitals-Paragraph F
CEQA Contingency	Section 1.5
CEQA Date	Section 1.6
CEQA Documents	Section 1.5
City	Introduction
City Assignment of Intangible Property	Section 6.4 (b)
City Contractor	Section 14.18
City's Conditions Precedent	Section 8.1
City Documents	Section 7.1
City Event of Default	Section 9.6 (a)
City's General Disclosures	Section 11.2
City Parties	Section 7.5
City Property Deed	Section 6.1 (c)
City Releasers	Section 7.4
City Title Policy	Section 6.2 (b)
Colliers	Section 14.2
Combined Project	Recitals-Paragraph D
Combined Project D&E Costs	Section 1.3 (f)
Conditions Precedent	Section 8.2
Contract Rejection	Section 1.7 (a)
Construction Contract	Section 1.3 (b)
Construction Cost Report	Section 2.1 (b)

Construction Management Agreement	Section 2.1 (a)
Damages	Section 2.7
DBI	Section 2.4
Design and Entitlement Costs	Section 1.3 (e)
Design and Entitlement Cost Report	Section 1.3 (e)
Design and Entitlement Work	Section 1.3 (a)
Developer	Introduction
Developer Assignment of Intangible Property	Section 6.4 (a)
Developer's Conditions Precedent	Section 8.2
Developer Documents	Section 7.1
Developer's Environmental Disclosures	Section 11.1 (k)
Developer Event of Default	Section 9.6 (a)
Developer Fee Title Policy	Section 6.2 (c)
Developer's General Disclosures	Section 11.1
Developer Leasehold Title Policy	Section 6.2 (a)
Developer Parties	Section 7.4
Environmental Laws	Section 11.1 A
Existing Developer Property	Recitals-Paragraph A
Developer Releasers	Section 7.5
Director of Property	Recitals-Paragraph E
Due Diligence Period	Section 7.2 (a)
Effective Date	Section 14.14
Entitlement Budget	Section 1.3 (a)
Environmental Review	Recitals-Paragraph F
Existing City Property	Recitals-Paragraph A
Existing Concept Plans	Section 1.3 (a)
Existing Developer Property	Recitals-Paragraph A
Existing Lease	Section 11.1 (n)
Federal Tax Code	Section 9.3(g)
Final Closing	Section 9.2 (b)
Final Closing Date	Section 9.2 (b)
Fire Station Appurtenances	Section 4.1 (c)(iii)
Fire Station Bill of Sale	Section 6.3
Fire Station Deed	Section 6.1 (b)
Fire Station Improvements	Section 4.1 (c)(i)
Fire Station Intangible Property	Section 4.1 (c)(v)
Fire Station Property	Section 4.1 (c)
Fire Station Personal Property	Section 4.1 (c)(iv)
First Approval Deadline	Section 1.3 (b)
First Source Hiring and Local Hiring Requirements	Exhibit E
General Contractor	Section 1.3 (a)
Ground Lease	Section 2.10
Hazardous Material	Section 11.1 B
Indemnities	Section 2.7
Initial Closing	Section 9.2 (a)

Initial Closing Date	Section 9.2 (a)
JAMS	Section 3.1 (b)
Labor Requirements	Section 2.6 (a)
Liabilities	Section 2.7
Litigation Expenses	Section 2.7
Material Adverse Effect	Section 8.2
Maximum Cost	Section 2.1 (b)
Mediation Matter	Section 3.2 (a)
Mediation Request	Section 3.2 (b)
Memorandum of Conditional Exchange Agreement	Section 14.12 (a)(i)
Memorandum of Construction Management Agreement	Section 14.12(b)
New City Parcel	Recitals-Paragraph C(i)
New Developer Parcel	Recitals-Paragraph C(i)
Outside CEQA Date	Section 1.6
Pre-Approved Project Contract	Section 1.3 (b)
Project Budget	Section 1.1 (c)
Project Contractor	Section 2.2
Project Contracts	Section 1.3 (b)
Project Cost	Section 2.1 (b)
Projected Project Budget	Exhibit C
Proposed Entitlements	Recitals-Paragraph D
Purchase Price	Section 5.1
Purchase Price Shortfall	Section 5.1
Reciprocal Easement Agreement	Section 4.2 (b)
Release	Section 11.1 C
Reporting Requirements	Section 9.7
Regulatory Approvals	Section 1.1 (a)
Rules	Section 3.1 (c)
Station Project	Recitals-Paragraph C(iii)
Survey	Section 8.1 (g)
TCO	Section 2.4
Title Company	Section 6.2 (a)
Tower Appurtenances	Section 4.1 (d)(ii)
Tower Bill of Sale	Section 6.3
Tower Improvements	Section 4.1 (d)(i)
Tower Intangible Property	Section 4.1 (d)(iv)
Tower Personal Property	Section 4.1 (d)(iii)
Tower Project Easement Agreement	Section 4.2 (a)
Tower Project	Recitals Paragraph C(ii)
Tower Property	Section 4.1 (d)
Unavoidable Delay	Section 1.1(a)

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, DEVELOPER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT

UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

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The parties have duly executed this Agreement as of the respective dates written below.

DEVELOPER:

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: 
C8A3785F3A854B0...

Name: Gino Canori

Title: Executive Vice President

Date: 07/30/2020 | 4:41 PM PDT

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

DocuSigned by:

Andrico Q. Penick

By: _____

Andrico Q. Penick
Director of Property

Date: 07/30/2020 | 4:46 PM PDT

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

DocuSigned by:

Carol Wong

By: _____

Carol Wong
Deputy City Attorney

07/30/2020 | 4:41 PM PDT

EXHIBIT "A"

Legal Description of Existing City Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

COMMENCING at the point of intersection of the Southerly line of Washington Street and the Easterly line of Sansome Street; running thence Southerly and along said line of Sansome Street 122 feet to the Northerly line of Merchant Street; thence at a right angle Easterly along said line of Merchant Street 90 feet, 3 1/8 inches; thence Northerly 122 feet, more or less, to a point on the Southerly line of Washington Street, distant thereon 90 feet, 3 1/2 inches Easterly from the Easterly line of Sansome Street; thence Westerly along said line of Washington Street 90 feet, 3 1/2 inches to the point of commencement.

BEING a part of Beach and Water Lots 133, 134, and 135.

EXCEPTING THEREFROM, that portion shown as "Parcel 1" on that certain map entitled, MAP SHOWING THE WIDENING OF WASHINGTON STREET FROM BATTERY ST. TO SANSOME ST., which map was filed for record September 11, 1974, in Book "W" of Maps, Page 27.

Assessor's Parcel No.: Lot 017 (formerly portion of Lot 009), Block 0206

PARCEL B:

"Parcel 1" as described and delineated upon that certain map entitled, MAP SHOWING THE WIDENING OF WASHINGTON STREET FROM BATTERY ST. TO SANSOME ST., which map was filed for record September 11, 1974, in Book "W" of Maps, Page 27.

Assessor's Parcel No. : (Portion of Washington Street - formerly portion of Lot 009, Block 0206)

APN: 0206-017

EXHIBIT "B"

Legal Description of Existing Developer Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WHICH IS SITUATED AS AFORESAID, AND WHICH IS BOUNDED BY A LINE COMMENCING AT A POINT IN THE SOUTHERLY LINE OF WASHINGTON STREET (AS EXISTED PRIOR TO THE WIDENING THEREOF), DISTANT THEREON 90 FEET AND 3-1/2 INCHES EASTERLY FROM THE POINT OF INTERSECTION OF SAID LINE OF WASHINGTON STREET WITH THE EASTERLY LINE OF SANSOME STREET; RUNNING THENCE EASTERLY ON AND ALONG SAID SOUTHERLY LINE OF WASHINGTON STREET 47 FEET 5-1/2 INCHES; THENCE SOUTHERLY 122 FEET, MORE OR LESS, AND TO A POINT IN THE NORTHERLY LINE OF MERCHANT STREET WHICH IS DISTANT THEREON 137 FEET 9-1/2 INCHES EASTERLY FROM THE POINT OF INTERSECTION OF SAID LINE OF MERCHANT STREET WITH THE EASTERLY LINE OF SANSOME STREET; THENCE WESTERLY, ON AND ALONG SAID LINE OF MERCHANT STREET, 47 FEET AND 6-3/8 INCHES; AND THENCE NORTHERLY 122 FEET TO THE SAID SOUTHERLY LINE OF WASHINGTON STREET AND SAID POINT OF COMMENCEMENT.

THE SAME BEING A PORTION OF BEACH AND WATER LOTS NUMBERS 133, 134 AND 135, AS THE SAME ARE NUMBERED, DELINEATED AND SHOWN ON THE OFFICIAL MAP OF SAID CITY AND COUNTY OF SAN FRANCISCO.

EXCEPTING THEREFROM SUCH PORTION OF THE SAME AS IS DESCRIBED IN THAT CERTAIN GRANT DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, DATED MAY 14, 1967 AND RECORDED AUGUST 9, 1967 IN BOOK B167, OF OFFICIAL RECORDS, PAGES 723 AND 724.

APN: LOT 013, BLOCK 0206

PARCEL TWO:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 137 FEET AND 9 INCHES EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF WASHINGTON STREET 40 FEET AND 6 INCHES, MORE OR LESS, TO A POINT ON THE SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 97 FEET WESTERLY FROM THE WESTERLY LINE OF BATTERY STREET; THENCE AT A RIGHT ANGLE SOUTHERLY 122 FEET TO THE NORTHERLY LINE OF MERCHANT STREET; THENCE WESTERLY ALONG SAID LINE OF

MERCHANT STREET 40 FEET AND 6 INCHES, MORE OR LESS, TO A POINT ON THE SAID LINE OF MERCHANT STREET, DISTANT THEREON 137 FEET AND 9-1/2 INCHES EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET; RUNNING THENCE NORTHERLY 122 FEET TO THE SOUTHERLY LINE OF WASHINGTON STREET AND THE POINT OF BEGINNING.

BEING PART OF 50 VARA BLOCK NO. 35

EXCEPTING THEREFROM, THAT PORTION OF SAID LAND CONVEYED TO THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, BY DEED RECORDED MAY 26, 1967, IN BOOK B146, PAGE 875 OF OFFICIAL RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 137.750 FEET EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET, AND THENCE RUNNING EASTERLY ALONG SAID LINE OF WASHINGTON STREET 40.50 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 97 FEET WESTERLY FROM THE WESTERLY LINE OF BATTERY STREET; THENCE AT A RIGHT ANGLE SOUTHERLY 23 FEET; THENCE AT A RIGHT ANGLE WESTERLY 40.50 FEET, MORE OR LESS, TO A LINE DRAWN FROM THE POINT OF BEGINNING TO A POINT ON THE NORTHERLY LINE OF MERCHANT STREET, DISTANT THEREON 137.792 FEET EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET; THENCE RUNNING NORTHERLY ALONG SAID LINE SO DRAWN 23 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF 50 VARA BLOCK NO. 35.

APN: LOT 014, BLOCK 0206.

EXHIBIT "C"

Project Budget

TOTAL DEVELOPMENT COSTS ALLOCATION		Keys:	200 units	200 units	0 units	
S30 SANSOME - PROJECT BUDGET		Total Frontage (Linear SF)	419LF	271LF	148LF	
		% Total Frontage	100%	65%	35%	
		Total GSF	308,300gsf	272,550gsf	30,750gsf	
		% Total GSF	100%	88%	10%	
Category			Budget	Total	Tower	Fire Station
LAND ACQUISITION						
Land Purchase Price		Allocated to Tower		\$38,535,000	\$38,535,000	\$0
S30 Sansome/Existing PS13 - Broker Fee	Colliers International	Allocated to PS13		N/A	N/A	TBD
New City Parcel Transfer Tax		City parcel exempt		N/A	N/A	TBD
Real Property Taxes		City parcel exempt		N/A	N/A	TBD
Acquisition & Predev Interest Reserve		Pro rata based on GSF	\$6,294,538	\$5,802,442		\$637,096
Acquisition & Predev Loan Origination		Pro rata based on GSF	\$424,000	\$381,613		\$42,387
Total Land Acquisition				\$45,339,538	\$44,518,455	\$679,473
HARD COSTS						
Trade Costs		See Hard Cost detail			N/A	\$22,599,115
General Conditions			5.00%		N/A	\$1,129,866
Overhead & Fee			3.50%		N/A	\$830,517
Insurance & Bonds			0.80%		N/A	\$196,477
Construction Management		Allocated to Tower	1.50%	\$368,394	\$368,394	\$0
Hard Cost Contingency			5.00%		N/A	\$1,287,803
Escalation			3.00%		N/A	\$742,682
Total Hard Costs				N/A	\$368,394	\$26,736,556
PROFESSIONAL FEES						
Executive Architect	SOM / Steinberg Hart	Actual contract	\$5,800,000	\$6,362,863	\$5,143,707	\$1,219,155
Interior Design		Allocated to Tower		N/A	N/A	N/A
Landscape	DMT Lewis	Based on Frontage LF	\$125,000	\$108,850	\$67,882	\$36,968
Civil Engineer	BMF Engineers	Pro rata based on GSF	\$100,000	\$96,000	\$60,000	\$36,000
Environmental	Langan	Pro rata based on GSF	\$40,000	\$40,000	\$35,545	\$4,455
Geotechnical	Langan	Pro rata based on GSF	\$300,000	\$300,000	\$289,585	\$10,415
Structural	SOM / DCI	Pro rata based on GSF	\$450,000	\$490,435	\$444,648	\$135,787
MEP Initial Schem.	CB Engineers / Meyers	Pro rata based on GSF	\$150,000	\$432,000	\$372,370	\$59,730
MEP Design		Pro rata based on GSF	\$550,000	\$550,000	\$494,138	\$55,762
Sustainability		Pro rata based on GSF	\$100,000	\$100,000	\$89,862	\$10,138
Accession		Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
Parking & Traffic	Walker Parking	Pro rata based on GSF	\$55,000	\$55,000	\$48,424	\$6,576
Elevator	Edgett Williams	Pro rata based on GSF	\$50,000	\$67,500	\$51,670	\$5,830
Waterproofing		Pro rata based on GSF	\$225,000	\$225,000	\$202,188	\$22,812
Wind Tunnel		Allocated to Tower		N/A	N/A	N/A
Testing & Inspection		Pro rata based on GSF	\$750,000	\$750,000	\$673,961	\$76,039
Surveying	Martin Ron B Assoc.	Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
Fire/Life Safety	The Fire Consultants	Pro rata based on GSF	\$110,000	\$100,000	\$95,800	\$13,200
Accessibility		Pro rata based on GSF	\$40,000	\$40,000	\$35,545	\$4,455
Chimes		Allocated to Tower		N/A	N/A	N/A
Lighting		Pro rata based on GSF	\$100,000	\$100,000	\$89,862	\$10,138
Window Washing		Allocated to Tower		N/A	N/A	N/A
Piercing		Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
Market Studies		Allocated to Tower		N/A	N/A	N/A
Appraisal		Allocated to Tower		N/A	N/A	N/A
Expeditior		Pro rata based on GSF	\$100,000	\$100,000	\$89,862	\$10,138
Community Outreach		Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
CRCA Consultants		Pro rata based on GSF	\$150,000	\$150,000	\$134,712	\$15,288
Signage		Pro rata based on GSF	\$25,000	\$25,000	\$22,465	\$2,535
Other Architects & Engineers		Pro rata based on GSF	\$250,000	\$250,000	\$224,654	\$25,346
Total Professional Fees			\$9,770,000	\$10,627,648	\$8,818,344	\$1,809,304
PERMITS & FEES						
Permits & Approvals		See detailed schedule		\$21,796,483	\$20,507,957	\$728,527
Total Permits & Fees				\$21,796,483	\$20,507,957	\$728,527
LEGAL & ACCOUNTING						
Legal & Accounting		Pro rata based on GSF		\$1,500,000	\$1,347,523	\$152,477
Total Legal & Accounting				\$1,500,000	\$1,347,523	\$152,477
FINANCING COSTS						
Senior Loan Financing Fees	Placeholder - CCSC to seek alternative financing			\$1,601,586	\$1,489,299	\$162,287
Construction Loan Interest Reserve	Placeholder - CCSC to seek alternative financing			\$14,773,214	\$13,275,435	\$1,497,779
Total Financing Costs				\$16,374,800	\$14,714,645	\$1,660,155
OTHER SOFT COSTS						
Developer Fee		Allocated to Tower		\$9,081,863	\$9,081,863	\$0
Soft Cost Contingency		Pro rata based on GSF		\$3,617,334	\$3,250,592	\$366,742
Total Financing Costs				\$12,699,197	\$12,332,455	\$366,743
Total Costs				N/A	N/A	\$32,128,429

530 SANSOME - FIRE STATION 13 HARD COST BUDGET

Design Status: Site Perm's Submittal 12/20/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
Building Footprint	17,725	sf				7,920	9,805
Gross Building Area	309,300	sf				30,739	272,561
Fire Station Floors	4					4	0
Tower Floors	19					0	19
Fire Station Elevator Cars	1					1	0
Hotel Rooms	200					0	200
B1 Parking Slab	16,253	sf				8,541	7,711
B2 Parking Slab	16,250	sf				0	16,250
B3 Parking Slab	16,250	sf				0	16,250
Columns	176	units				70	106
Construction Duration	28	months					
Building Footprint						43%	59%
Gross Building Area						10%	90%
B1 Parking Slab						28%	42%
B2 Parking Slab						0%	98%
Columns						39%	61%

1 Demo, Earthwork, Sitework							
1-01 Demolition							
1-02 Existing 330 Sansome Structure	32,967	sf	\$10.00	\$329,670.00	10%	\$33,423.32	\$296,246.68
1-03 Existing 427, 439-443 Washington Structure	13,266	sf	\$10.00	\$132,660.00	10%	\$13,449.70	\$119,210.30
1-04 312300 - Brown and Fill							
1-05 Excavation and Dewatering	26,667	cy	\$140.00	\$3,733,333.33	10%	\$379,303.19	\$3,354,030.14
1-06 314800 - Shoring and Underpinning							
1-07 Wall Shoring - North, West, South	18,160	sf	\$180.00	\$3,268,800.00	10%	\$331,406.38	\$2,937,393.62
1-08 Underpinning and Tiebacks - East	4,000	sf	\$250.00	\$1,000,000.00	10%	\$101,394.77	\$898,605.23
1-09 071200 - Built-up Bituminous Waterproofing							
1-10 Tieback Waterproofing	1	ts	\$30,000.00	\$30,000.00	10%	\$3,041.34	\$26,958.66
1-11 330000 - Site Utilities							
1-12 Typical Site Utilities Tie-in	1	ts	\$130,000.00	\$130,000.00	10%	\$13,207.72	\$116,792.28
2 Exterior Improvements							
2-01 330000 - Exterior Improvements							
2-02 Fire Station Training Roof Deck Unit Paving	2,024	sf	\$20.00	\$40,480.00	100%	\$161,921.00	\$0.00
2-03 Sidewalk Replacement	4,300	sf	\$23.00	\$98,900.00	10%	\$13,493.32	\$85,406.68
2-04 Existing Trees to be Removed	3	ea	\$3,000.00	\$9,000.00	100%	\$19,900.00	\$0.00
3 Foundation							
3-01 030000 - Concrete Mat							
3-02 Foundation Concrete	2,800	cy	\$472.50	\$1,323,000.00	10%	\$134,132.19	\$1,188,867.81
3-03 Foundation Rebar (250 LBS/CY)	700,000	lbs	\$1.20	\$840,000.00	10%	\$89,163.20	\$750,836.80
3-04 Ret Slab and Protection Slab	17,623	sf	\$7.00	\$123,361.00	10%	\$12,306.22	\$111,054.78
3-05 316000 - Foundations and Load-Bearing Elements							
3-06 (127) 24" Dia. Auger Cast Piles @ 30' Depth	22,000	lf	\$200.00	\$4,400,000.00	0%	\$0.00	\$4,400,000.00
3-07 Auger Cast Pile Rebar (125 LBS/CY)	320,000	lbs		Included above			
4 Structure (incl. Misc Steel & Shoring)							
4-01 030000 - Cast-in-Place Concrete							
4-02 Basement Walls	15,544	sf	\$63.00	\$978,972.00	10%	\$127,357.12	\$851,614.88
4-03 Columns							
4-04 B3 to L5 - (22) 18"x32" @ 8 Levels	178	ea	\$3,000.00	\$534,000.00	10%	\$54,139.47	\$479,860.53
4-05 L6 to Roof - (20) 18"x24" @ 14 Levels	360	ea	\$3,000.00	\$1,080,000.00	0%	\$0.00	\$1,080,000.00
4-06 Fire Station Isolation (8)	8	ea	\$15,000.00	\$120,000.00	10%	\$12,166.17	\$107,833.83
4-07 Shear Walls							
4-08 Core Wall	64,232	sf	\$37.89	\$2,415,677.60	10%	\$247,017.26	\$2,168,660.34
4-09 Basement	10,636	sf	\$38.83	\$413,820.90	10%	\$41,309.14	\$372,511.76
4-10 Fire Station - Moment Frames	1		\$500,000.00	\$500,000.00	100%	\$500,000.00	\$0.00
4-11 Parking Slabs							
4-12 Level B1 - 9 1/2" Mild Slab	16,353	sf	\$27.00	\$441,531.00	50%	\$220,765.50	\$220,765.50
4-13 Level B2 - 9 1/2" Mild Slab	16,353	sf	\$27.00	\$441,531.00	2%	\$7,064.66	\$434,466.34
4-14 Typical + Fire Station Ground Floor							
4-15 Level 1 - 12" Mild Slab - Tower	9,436	sf	\$27.00	\$254,772.00	0%	\$0.00	\$254,772.00
4-16 Level 1 - 12" Mild Slab - Fire Station	8,000	sf	\$27.00	\$216,000.00	100%	\$216,000.00	\$0.00
4-17 Hotel Mezzanine Slab							
4-18 Level 2 - 5 1/2" PT Slab	6,770	sf	\$27.00	\$182,790.00	0%	\$0.00	\$182,790.00
4-19 Health Club Slabs							
4-20 Level 3 to 5 - 9" PT Slab	37,098	sf	\$27.00	\$1,001,586.00	0%	\$0.00	\$1,001,586.00
4-21 Typical Hotel and Residential Slabs							
4-22 Level 6 to 19 - 7" PT Slab	173,361	sf	\$27.00	\$4,680,747.00	0%	\$0.00	\$4,680,747.00
4-23 Typical Fire Station Slab							

Sheet 15 of 16

530 SANSOME - FIRE STATION 13 HARD COST BUDGET
 Design Status: Site Permit Submittal 12/20/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
4.24 Level 3 to 5 - 8" PT Slab (LS 10" Slab Assumed)	12,785	sf	\$17.00	\$217,345.00	100%	\$217,345.00	\$0.00
4.25 Assembly Deck Slabs							
4.26 Level 5 + Roof - 10" PT Slab Assumed	16,316	sf	\$17.00	\$277,372.00	10%	\$27,737.20	\$199,634.80
4.27 Transfer Beams							
4.28 90 Linear FT	90	lf	\$2,100.00	\$189,000.00	10%	\$18,900.00	\$170,100.00
4.29 032000 - Concrete Reinforcing							
4.30 Basement Walls	108,550	lbs	\$1.20	\$130,260.00	10%	\$13,026.00	\$117,234.00
4.31 Columns	560,950	lbs	\$1.20	\$673,140.00	10%	\$67,314.00	\$605,826.00
4.32 Shear Walls	1,790,750	lbs	\$1.20	\$2,148,900.00	10%	\$214,890.00	\$1,934,010.00
4.33 Mid Slabs							
4.34 Level B1 & B2 - Parking Mid Slab	152,435	lbs	\$1.20	\$182,922.00	10%	\$18,292.20	\$164,629.80
4.35 Level 1 - Mid Slab	89,442	lbs	\$1.20	\$107,330.40	46%	\$49,353.54	\$57,976.86
4.36 PT Slabs							
4.37 Level 2 to 5 Hotel Mez + Club - Slab Rebar	96,422	lbs	\$1.20	\$115,706.40	0%	\$0.00	\$115,706.40
4.38 Level 2 to 5 Hotel Mez + Club - PT Tendons	41,637	lbs	\$3.00	\$124,911.00	0%	\$0.00	\$124,911.00
4.39 Typical Hotel and Residential Slab							
4.40 Level 6 to Roof - Slab Rebar	360,346	lbs	\$1.20	\$432,415.20	0%	\$0.00	\$432,415.20
4.41 Level 6 to Roof - PT Tendons	161,225	lbs	\$3.00	\$483,675.00	0%	\$0.00	\$483,675.00
4.42 Typical Fire Station Slab							
4.43 Level 2 to 5 - Slab Rebar	16,936	lbs	\$1.20	\$20,323.20	100%	\$20,323.20	\$0.00
4.44 Level 2 to 5 - PT Tendons	12,749	lbs	\$3.00	\$38,247.00	100%	\$38,247.00	\$0.00
4.45 Concrete Upcharge							
4.46 Category IV Below Grade Structure	80,160	sf	\$7.50	\$601,200.00	10%	\$60,120.00	\$541,080.00
4.47 055000 - Miscellaneous Metals							
4.48 GSF Allowance	30,750	gsf	\$3.00	\$92,250.00	100%	\$92,250.00	\$0.00
4.49 057000 - Handrails and Railings							
4.50 Fire Station Mezz. Railings - Assumed Metal	150	lf	\$215.00	\$32,250.00	100%	\$32,250.00	\$0.00
4.51 055100 - Metal Stairs							
4.52 Stair 01 - Core West (B3 to Roof)	23	ft	\$17,000.00	\$391,000.00	7%	\$27,370.00	\$363,630.00
4.53 Stair 02 - Building SE Corner (B3 to L4)	7	ft	\$17,000.00	\$119,000.00	100%	\$119,000.00	\$0.00
4.54 Stair 03 - Firehouse Stairs (L4 to L5 & L5 to L2)	3	ft	\$17,000.00	\$51,000.00	100%	\$51,000.00	\$0.00
5 Exterior Enclosure							
5.01 095000 - Flashing and Sheet Metal							
5.02 Flashing and Sheet Metal	30,750	gsf	\$7.50	\$230,625.00	100%	\$230,625.00	\$0.00
5.03 095125 - Expansion Joint Cover Assemblies							
5.04 Tower (Cat. II) to Fire Station (Cat. IV) Seismic R.	123	lf	\$380.00	\$46,740.00	50%	\$23,370.00	\$23,370.00
5.05 Fire Station to Neighbors	123	lf	\$380.00	\$46,740.00	100%	\$46,740.00	\$0.00
5.06 080000 (Undefined) - Firehouse Enclosure							
5.07 Undefined Firehouse Enclosure @ North & South	5,920	sf	\$175.00	\$1,036,000.00	100%	\$1,036,000.00	\$0.00
5.08 Firehouse Vehicle Doors	4	ea	\$40,000.00	\$160,000.00	100%	\$160,000.00	\$0.00
5.09 Firehouse Stockroom	362	sf	\$120.00	\$43,440.00	100%	\$43,440.00	\$0.00
5.10 Firehouse Entry and Lobby Doors	2	leaf	\$7,500.00	\$15,000.00	100%	\$15,000.00	\$0.00
6 Roofing & Waterproofing							
6.01 075000 - Membrane Roofing							
6.02 Roofing - Fire Department Training Deck	2,246	sf	\$35.00	\$78,610.00	100%	\$78,610.00	\$0.00
6.03 Roofing - BBQ Patio	70	sf	\$50.00	\$3,500.00	100%	\$3,500.00	\$0.00
6.04 071000 - Damp-proofing and Waterproofing							
6.05 Vertical Waterproofing - Below Grade	12,160	sf	\$17.00	\$206,720.00	10%	\$20,672.00	\$186,048.00
6.06 Horizontal Waterproofing - Below Grade	17,622	sf	\$10.00	\$176,220.00	10%	\$17,622.00	\$158,598.00
6.07 079000 - Joint Protection							
6.08 GSF Allowance	30,750	gsf	\$0.20	\$6,150.00	100%	\$6,150.00	\$0.00
7 Interior Construction							
7.01 061053 - Miscellaneous Finish Carpentry							
7.02 Miscellaneous Carpentry GSF Allowance	30,750	gsf	\$1.25	\$38,437.50	100%	\$38,437.50	\$0.00
7.03 Fire-Treated Plywood Backerboards	4	pieces	\$1,000.00	\$4,000.00	100%	\$4,000.00	\$0.00
7.04 067000 - Finish Carpentry							
7.05 Undefined: See 090000 Finish Allowances				\$0.00		\$0.00	\$0.00
7.06 081000 - Doors and Frames							
7.07 Fire Station - Single Rated Door	18	ea	\$3,200.00	\$57,600.00	100%	\$57,600.00	\$0.00
7.08 Fire Station - Single FOH Door	16	ea	\$2,800.00	\$44,800.00	100%	\$44,800.00	\$0.00
7.09 Fire Station - Single BOH Door	14	ea	\$2,900.00	\$40,600.00	100%	\$40,600.00	\$0.00
7.10 083100 - Access Doors & Panels							
7.11 Access Doors & Panels GSF Allowance	30,750	gsf	\$0.20	\$6,150.00	100%	\$6,150.00	\$0.00
7.12 088000 - Glazing (Interior)							
7.13 Interior Glazing GSF Allowance	30,750	gsf	\$3.50	\$107,625.00	100%	\$107,625.00	\$0.00
7.14 090000 - Finish Allowances							
7.15 Fire Station Lobby	45	sf	\$150.00	\$6,750.00	100%	\$6,750.00	\$0.00

530 SANSOME - FIRE STATION 13 HARD COST BUDGET
 Design Status: Site Permit Submittal 12/29/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
7.16 Fire Station - Finishes GSF Allowance	30,750	gsf	\$275.00	\$8,456,250.00	100%	\$8,456,250.00	\$0.00
7.17 Storage (x4), Janitor's (x3), others rooms below							
7.18 Officers' Quarters (x3), Third	9.25	sf					
7.19 Locker Rooms (x2), Third	845	sf					
7.20 Laundry, Third	90	sf					
7.21 Library, Third	160	sf					
7.22 Wellness, Third	66	sf					
7.23 Study, Third	120	sf					
7.24 Kitchen (Partn's), Second	480	sf					
7.25 Dining, Second	225	sf					
7.26 Day Room, Second	525	sf					
7.27 Fitness, Second	775	sf					
7.28 Turn Out / Drying Room, First Floor	200	sf					
7.29 Trash, First Floor	120	sf					
7.30 Shop, First Floor	240	sf					
7.31 Comm Room / Captain's Office, First Floor	360	sf					
7.32 Special Gear, First Floor	100	sf					
7.33 092136 - Gypsum Board Assemblies							
7.34 Drywall	30,750	gsf	\$12.00	\$369,000.00	100%	\$369,000.00	\$0.00
7.35 090400 - Portland Cement Plastering							
7.36 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7.37 095000 - Tiling							
7.38 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7.39 095000 - Acoustical Tile Ceilings							
7.40 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7.41 096500 - Resilient Flooring							
7.42 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7.43 096800 - Carpentry							
7.44 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7.45 097000 - Wall Finishes							
7.46 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7.47 099800 - Painting and Coatings							
7.48 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
8 Specialties							
8.01 093400 - Signage							
8.02 Interior Signage and Graphics (Code Only)	30,750	ls	\$1.00	\$30,750.00	100%	\$30,750.00	\$0.00
8.03 092800 - Toilet, Bath, and Laundry Specialties							
8.04 Locker Room Restroom Specialties	2	ea	\$8,000.00	\$16,000.00	100%	\$16,000.00	\$0.00
8.05 Fire Station Restroom Specialties (Inc. Public)	2	ea	\$11,000.00	\$22,000.00	100%	\$22,000.00	\$0.00
8.06 094400 - Fire Protection Specialties							
8.07 Fire Stat, Fire Bldg. & Cabinets - Recessed	10	ea	\$750.00	\$7,500.00	100%	\$7,500.00	\$0.00
8.08 108510 - Lockers							
8.09 Fire Station Metal Lockers (Apo Buy)	40	ea	\$375.00	\$15,000.00	100%	\$15,000.00	\$0.00
8.10 120910 - Bicycle Racks							
8.11				\$0.00		\$0.00	\$0.00
9 Equipment							
9.01 110000 - Equipment							
9.02 Fire Station Equipment GSF Allowance	30,750	gsf	35.00	\$1,076,250.00	100%	\$1,076,250.00	\$0.00
9.03 112400 - Window Washing Equipment							
9.04 Window Washing System				\$0.00		\$0.00	\$0.00
9.05 113600 - House Equipment							
9.06 Kitchen Appliances	1	ea	\$50,000.00	\$50,000.00	100%	\$50,000.00	\$0.00
9.07 Laundry Appliances	1	ea	\$25,000.00	\$25,000.00	100%	\$25,000.00	\$0.00
9.08 118225 - Waste Compaction							
9.09 Trash Compactor - Fire Station	1	ea	\$65,000.00	\$65,000.00	100%	\$65,000.00	\$0.00
12 Conveying							
12.01 140000 - Elevators							
12.02 Fire Station Elevator - B1 LS	5	shops	\$65,000.00	\$325,000.00	100%	\$325,000.00	\$0.00
12.03 Elevator Cab Finishes - Fire Station	1	cars	\$35,000.00	\$35,000.00	100%	\$35,000.00	\$0.00
12.04 055000 - Miscellaneous Metals (Elevator Steel Only)							
12.05 Misc Metals	1	ea	\$20,000.00	\$20,000.00	100%	\$20,000.00	\$0.00
12.06 149100 - Facility Chutes							
12.07				\$0.00		\$0.00	\$0.00
13 Fire Protection							
Fire Protection	30,750	gsf	\$10.00	\$307,500.00	100%	\$307,500.00	\$0.00
14 Plumbing							
Plumbing	30,750	gsf	\$50.00	\$1,537,500.00	100%	\$1,537,500.00	\$0.00

530 SANSONME - FIRE STATION 13 HARD COST BUDGET

Design Status: Site Permit Submittal 12/20/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
15 HVAC							
Mechanical	30,750	gal	\$40.00	\$1,230,000.00	100%	\$1,230,000.00	\$0.00
36 Electrical including Low Voltage							
Electrical/Low Voltage	30,750	gal	\$100.00	\$3,075,000.00	100%	\$3,075,000.00	\$0.00
TOTAL CONSTRUCTION COSTS:						\$22,999,114.91	

EXHIBIT "D"

[Intentionally deleted]

EXHIBIT "E"

First Source Hiring and Local Hiring Requirements

1. Local Hiring Requirement.

1.1. General Provisions.

- 1.1.1. Local Hiring Policy: Developer shall comply with all applicable requirements of the San Francisco Local Hiring Policy for Construction ("Policy") as set forth in Section 6.22(g) and Chapter 82 of the San Francisco Administrative Code. The provisions of the Policy are incorporated by references into this Agreement. Developer agrees that Developer has had a full and fair opportunity to review and understand the terms of the Policy.
- 1.1.2. Compliance: Developer shall require the General Contractor and all contractors or subcontractors performing construction work on behalf of the Developer as part of the Station Project to comply with all applicable requirements of the Policy.
- 1.1.3. Enforcement: Developer agrees that the Office of Economic and Workforce Development ("OEWD") will have the authority to enforce all terms of the Policy. Further information on the Policy and its implementation may be found at the OEWD website at: www.workforcedevelopmentsf.org.

1.2. Local Hire Requirements. Developer shall comply with the following:

- 1.2.1. Local Hire by Construction Trade: Mandatory participation level in terms of Project Work Hours within each trade to be performed by Local Residents is 30%, with a goal of no less than 15% of Project Work Hours within each trade to be performed by Disadvantaged Workers.
- 1.2.2. Local Apprentices: At least 50% of the Project Work Hours performed by apprentices within each construction trade shall be performed by local residents, with a goal of no less than 25% of Project Work Hours performed by apprentices within each trade to be performed by Economically Disadvantaged Workers.
- 1.2.3. Construction Contracts: Developer, shall include the terms of this Policy in the contract with the General Contractor and in every construction contract and subcontract entered in to for construction of the Station Project. Developer shall notify OEWD immediately upon execution of all construction contracts.
- 1.2.4. Preconstruction Meeting: Prior to commencement of construction, General Contractor and all construction subcontractors shall attend a preconstruction meeting convened OEWD staff. Representatives from General Contractor and all construction subcontractors who attend the pre-construction meeting must have hiring authority.
- 1.2.5. Forms and Payroll Submittal: General Contractor and all construction subcontractors shall utilize the City's web based payroll system to submit all of OEWD's required Local Hiring Forms and Certified Payroll Reports. The General Contractor shall submit Local Hiring Forms prior to commencement of construction and within 15 calendar days from award of contract. The General Contractor must submit payroll information on all subcontractors who will perform construction work on the Station Project regardless of tier and contract

amount. The General Contractor and all construction subcontractors shall submit Certified Payroll Reports on a weekly basis.

- 1.2.6. Recordkeeping: General Contractor and all construction subcontractors shall keep, or cause to be kept, for a period of four years from the date of completion of project work, payroll and basic records, including time cards, tax forms, and superintendent and foreman daily logs, for all workers within each trade performing work on the Station Project. Such records shall include the name, address and social security number of each worker who worked on the covered project, his or her classification, a general description of the work each worker performed each day, the apprentice or journey-level status of each worker, daily and weekly number of hours worked, the self-identified race, gender, and ethnicity of each worker, whether or not the worker was a local resident, and the referral source or method through which the contractor or subcontractor hired or retained that worker for work on the project. General Contractor and all construction subcontractors may verify that a worker is a local resident by following OEWD's domicile policy. All records described in this subsection shall at all times be open to inspection and examination by OEWD.
- 1.2.7. Monitoring: From time to time and in its sole discretion, OEWD may monitor and investigate compliance of General Contractor and all construction subcontractors working on the Station Project. Contractor shall allow representatives of OEWD, in the performance of their duties, to engage in random inspections of the Site. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of General Contractor and all construction subcontractors and the records required to be maintained under the Policy.
- 1.2.8. Noncompliance and Penalties: Failure of General Contractor and/or its construction subcontractors to comply with the requirements of the Policy may subject General Contractor to the consequences of noncompliance specified in Chapter 82.8(f) of the Administrative Code, including but not limited to the penalties prescribed in Chapter 82.8(f)(2). In the event the General Contractor fails to adhere to the penalties administered by OEWD, the Developer will be responsible for penalties for noncompliance. The assessment of penalties for noncompliance shall not preclude the City from exercising any other rights or remedies to which it is entitled. Refer to Administrative Code Chapter 82.8(f)(2)(4)) for a description of the recourse procedure applicable to penalty assessments under the Policy.

2. First Source Requirements

2.1. General Provisions and Definitions.

- 2.1.1. First Source Hiring Policy: Developer shall participate in the Workforce System program managed by the Office of Economic and Workforce Development ("OEWD") as established by the City pursuant to Chapter 83 of the San Francisco Administrative Code ("First Source Hiring Policy"). The provisions of the First Source Hiring Policy are incorporated by references into this Agreement. Developer agrees that Developer has had a full and fair opportunity to review and understand the terms of the First Source Hiring Policy.
- 2.1.2. Architect, Contractors and Subcontractors: Developer shall require the Architect and all contractors or subcontractors performing professional services in excess of \$50,000 on behalf of the Developer as part of the Station Project to comply with all applicable requirements of the First Source Hiring Policy.

- 2.2. Enforcement.** Developer agrees that OEWD will have the authority to enforce all terms of the First Source Hiring Policy. Further information on the First Source Hiring Policy and its implementation may be found at the OEWD website at: www.workforcedevelopmentsf.org.
- 2.3. Definitions.** For purposes of this section, the following terms shall be defined as follows:
- 2.3.1. "Entry Level Position" means any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.
 - 2.3.2. "Workforce System" means the First Source Hiring Administrator established by the City and managed by OEWD.
 - 2.3.3. "Referral" means a member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a specified Entry Level Position.
- 2.4. OEWD Workforce System Participation Requirements.** Architect and all professional services contractors and subcontractors shall notify OEWD's Business Team of every available Entry Level Position for work performed by the Architect and all professional services contractors and subcontractors in the City and provide OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general public. Architect and all professional services contractors and subcontractors shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start date of those individuals hired by the Architect and all professional services contractors and subcontractors no later than 10 business days after date of interview or hire. Architect and all professional services contractors and subcontractors will also provide feedback on reasons as to why referrals were not hired. Architect and all professional services contractors and subcontractors shall have the sole discretion to interview any Referral by OEWD and will inform OEWD's Business Team why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Architect and all professional services contractors and subcontractors. Failure to comply with the terms of the First Source Hiring Policy may result in penalties as defined in Chapter 83 of the Administrative Code.
- 3. Local Business Enterprise Program Requirements.** The City and Developer agree to, whenever practicable, engage design and/or contracting teams that reflect the diversity of the City and, in particular, those firms and residents from the City's most disadvantaged neighborhoods (i.e. Chinatown, Western Addition, Tenderloin, South of Market, India Basin, Mission, Bayview Hunter's Point, Visitation Valley, etc.).
- 3.1. Purpose:** Developer agrees to partner with the Contract Monitoring Division ("CMD") to provide Local Business Enterprises ("LBE") with meaningful opportunities to participate in the construction of the Station Project including but not limited to ensuring that any design team(s) have a LBE architect.
 - 3.2. LBE Participation Program:** Developer agrees to make good faith efforts to award at least 25 percent of the cost of all professional services and 20 percent of construction contracts awarded by contractor(s).
 - 3.3. Prompt Payment:** Developer agrees to ensure that prime consultants and prime contractors are paid within 30 days from the date of submittal progress payment request

by the prime consultants/contractors to Developer to the extent accepted by Developer. Should there be a dispute related to soft and/or hard costs and parties are unable to resolve the matter within 45 days of the initial submittal to the Developer by the prime consultants/contractors, Developer agree to pay the prime consultants/contractors whatever is not in dispute on or before the end of such 45-day period.

- 3.4. Reporting.** Beginning as of the Agreement Ratification Date and every quarter thereafter (or earlier if requested by City), Developer shall report in writing to the Director of Real Estate with a copy to the Director of CMD a summary of Developer's attainment of the LBE Participation Goal.

EXHIBIT "F"

Depiction of Easement Areas for Tower Project Easement



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[illegible]

EASEMENT AREAS FOR TOWER EASEMENT AREA



B1 Floor Plan
Scale: 1/8" = 1'-0"

Exhibit - Preliminary Plan

EASEMENT AREAS FOR TOWER EASEMENT AREA



L1 Floor Plan
Scale: 1/8" = 1'-0"

Exhibit - Preliminary Plan



1998-1999

Exhibit - Preliminary Plan



Table 4. (continued)


Exhibit - Preliminary Plan

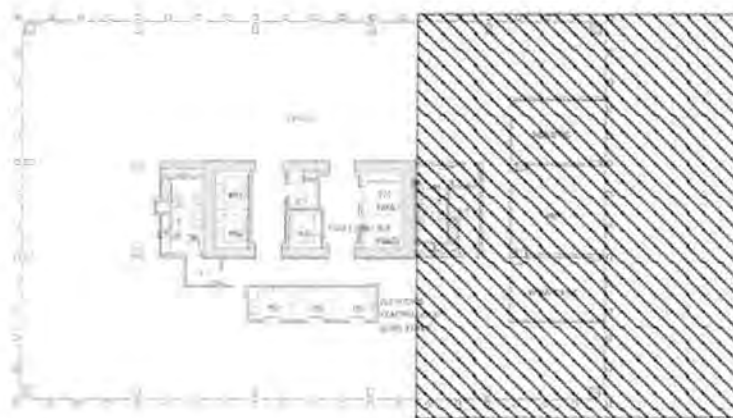





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 EASEMENT AREAS FOR TOWER EASEMENT AREA

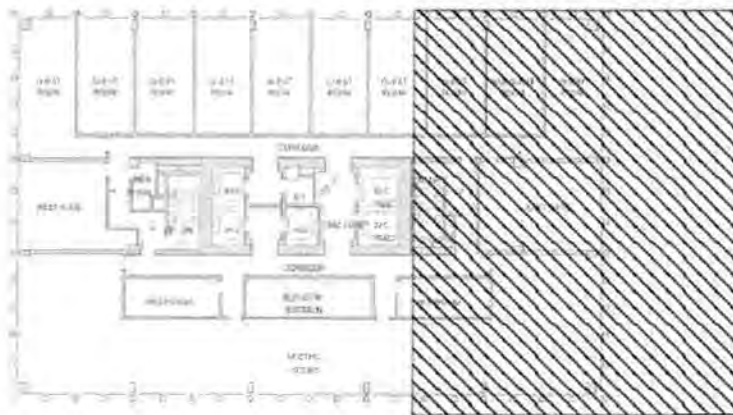


 L6-L8 Floor Plan
K2.0.013

001-00000
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Exhibit - Preliminary Plan

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 EASEMENT AREAS FOR TOWER EASEMENT AREA

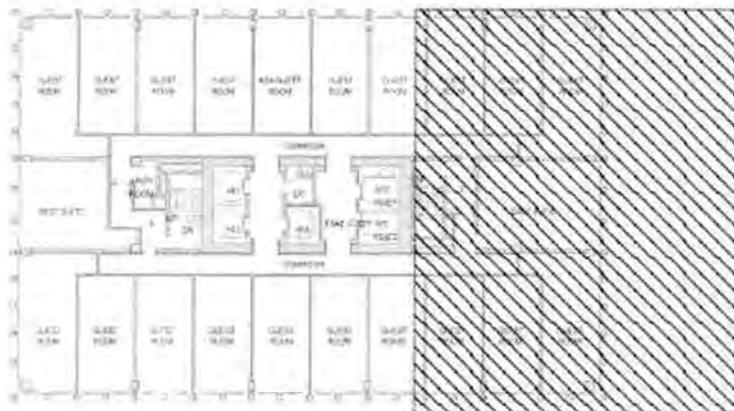


 L9 Floor Plan
K2.0.014

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Exhibit - Preliminary Plan

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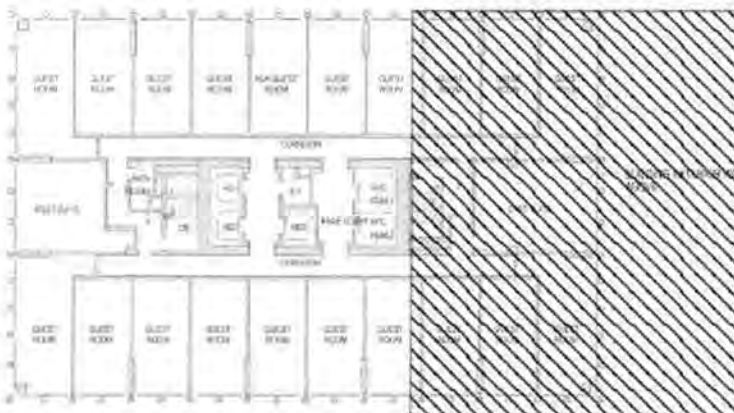
EASEMENT AREAS FOR TOWER EASEMENT AREA



L10-L16 Floor Plan
Scale: 1/8" = 1'-0"


Exhibit - Preliminary Plan

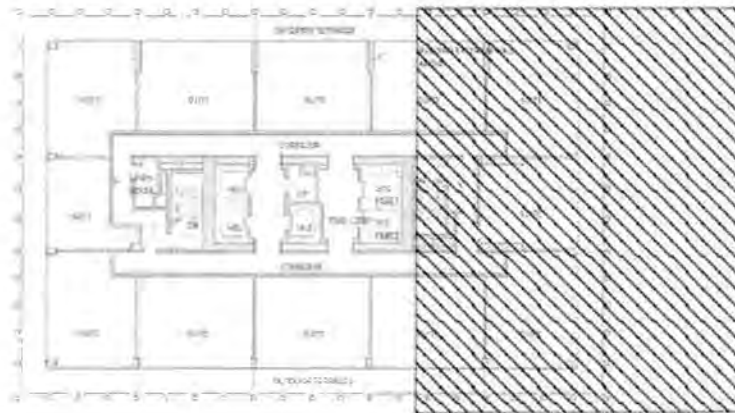
EASEMENT AREAS FOR TOWER EASEMENT AREA



L17 Floor Plan
Scale: 1/8" = 1'-0"

Exhibit - Preliminary Plan

 EASEMENT AREAS FOR TOWER EASEMENT AREA




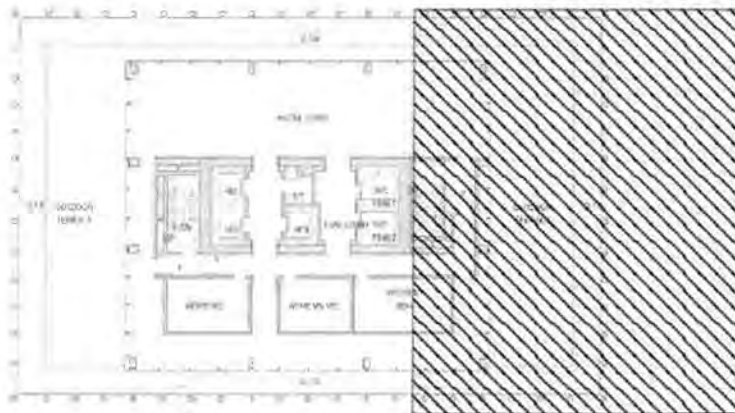
 L38 Floor Plan
FIG. 1.10

Exhibit - Preliminary Plan

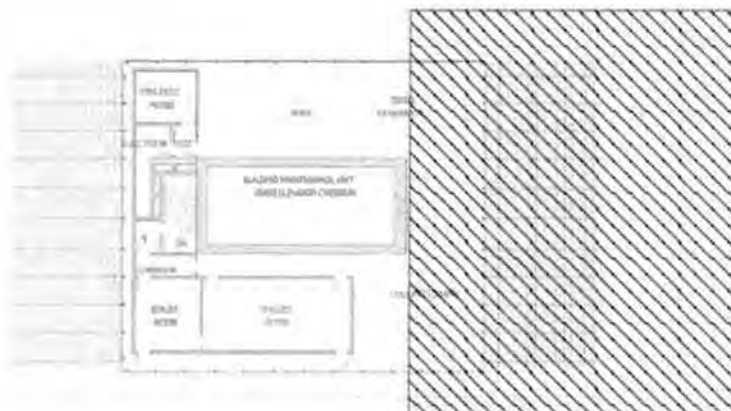
 EASEMENT AREAS FOR TOWER EASEMENT AREA



 L39 Floor Plan
FIG. 1.11

Exhibit - Preliminary Plan

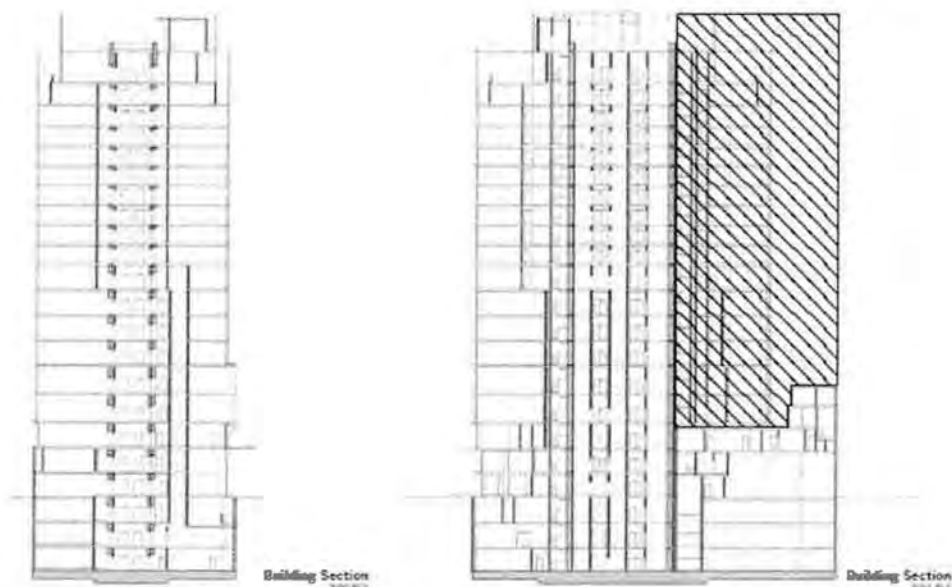
 EASEMENT AREAS FOR TOWER EASEMENT AREA



 Mechanical Penthouse Plan
Scale: 1/8" = 1'-0"

1000 Tower
Exhibit - Preliminary Plan


 EASEMENT AREAS FOR TOWER EASEMENT AREA

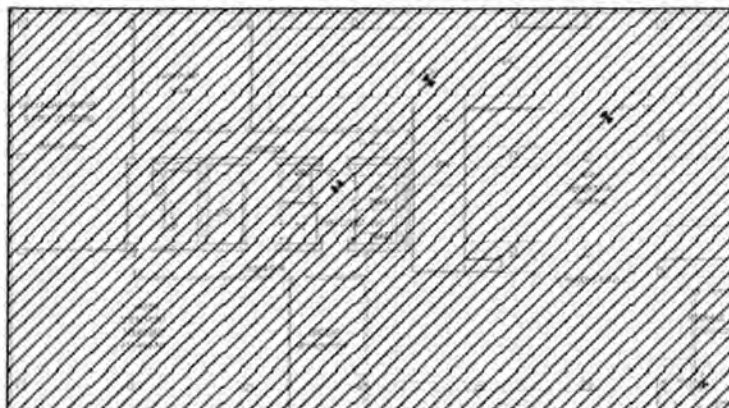


1000 Tower
Exhibit - Preliminary Plan

EXHIBIT "G"


Depiction of Easement Areas for Reciprocal Easement Agreement

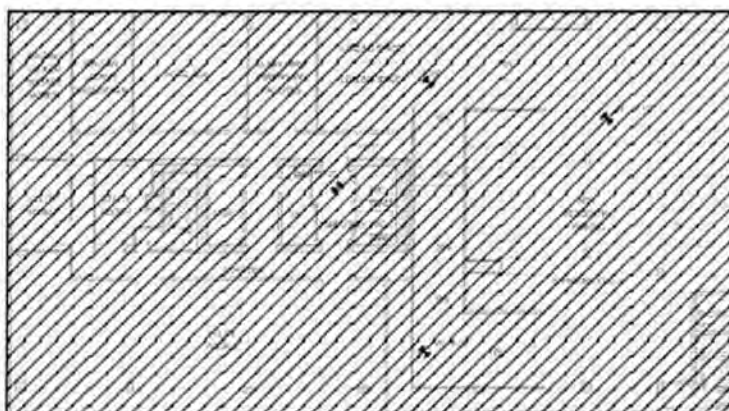
 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA



 B3 Floor Plan
Sheet 1011

Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA




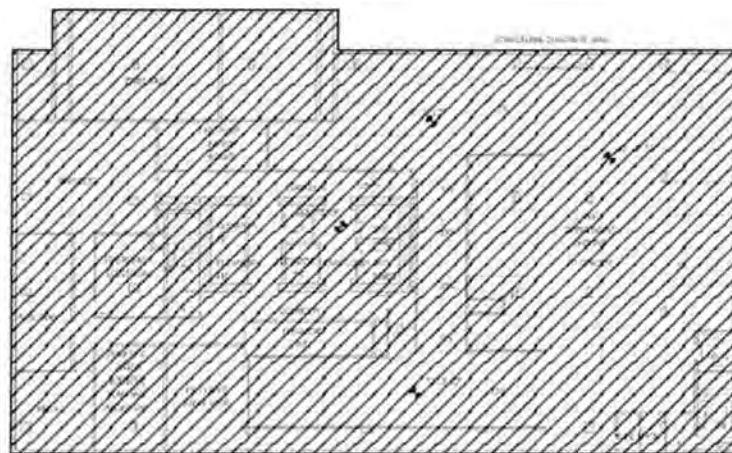
 B3 Floor Plan
Sheet 1011

Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA

B2 Floor Plan

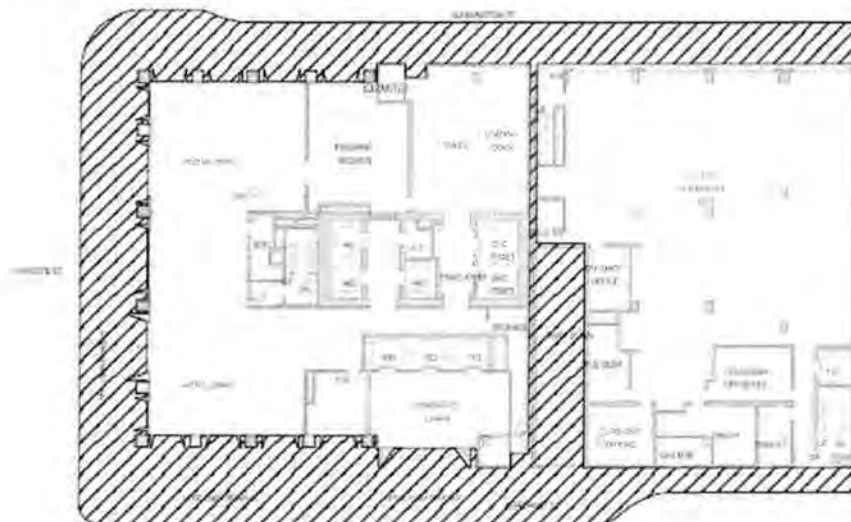
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Exhibit - Preliminary Plans

— 1997 —

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA.

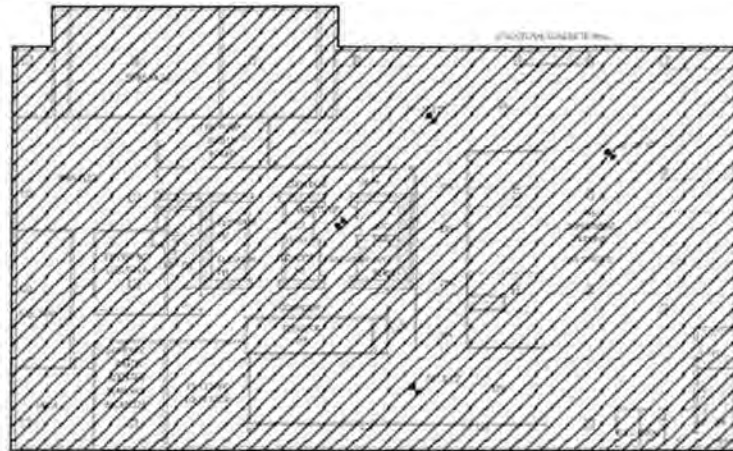
1.1 Floor Plans

577 (9546)
28912 (8)

Exhibit - Preliminary Plan

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 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA




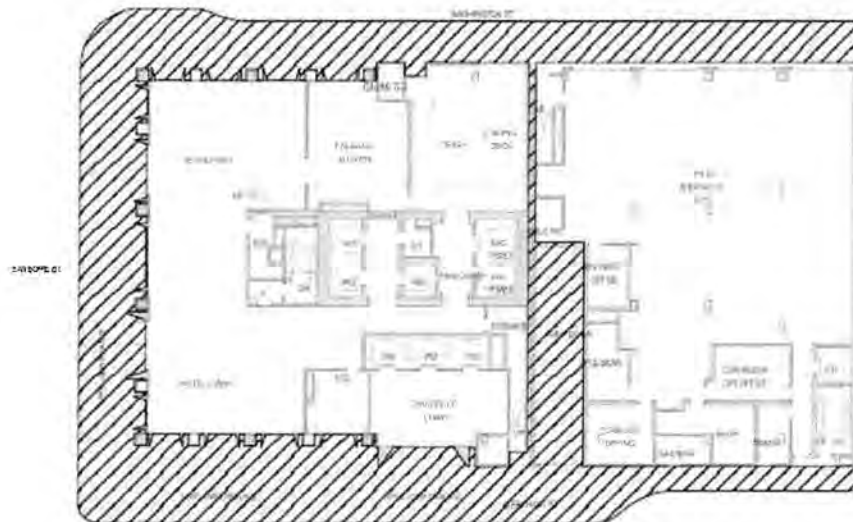
 B1 Floor Plan
40.0' x 71.0'


Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA




 L1 Floor Plan
40.0' x 71.0'


Exhibit - Preliminary Plan

 EASEMENT AREA FOR RECIPROCAL EASEMENT AREA




 14 Floor Plan
Scale: 1/8" = 1'-0"

14th Floor
Exhibit - Preliminary Plan

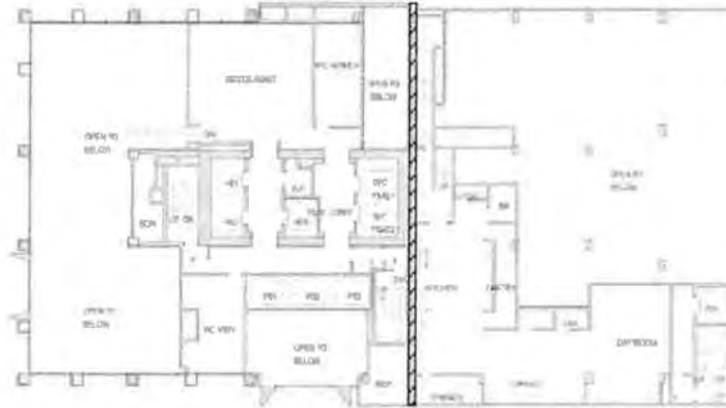
 EASEMENT AREA FOR RECIPROCAL EASEMENT AREA



 15 Floor Plan
Scale: 1/8" = 1'-0"

15th Floor
Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA



 L2 Floor Plan
Scale: 1/8" = 1'-0"

Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA



 L3 Floor Plan
Scale: 1/8" = 1'-0"

Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA



 **L10-L15 Floor Plan**
Scale: 1/8" = 1'-0"

01/10/2024
01/10/2024
Exhibit - Preliminary Plan

01/10/2024 01/10/2024

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA




BUILDING EXTERIOR WALL ABOVE


 **L17 Floor Plan**
Scale: 1/8" = 1'-0"

01/10/2024
01/10/2024
Exhibit - Preliminary Plan


01/10/2024 01/10/2024

 EASEMENT AREA FOR RECIPROCAL EASEMENT AREA




 L4 Floor Plan
Scale: 1/8" = 1'-0"

100-111401
100-111401
100-111401
Exhibit - Preliminary Plan

 EASEMENT AREA FOR RECIPROCAL EASEMENT AREA



 L5 Floor Plan
Scale: 1/8" = 1'-0"

100-111401
100-111401
100-111401
Exhibit - Preliminary Plan

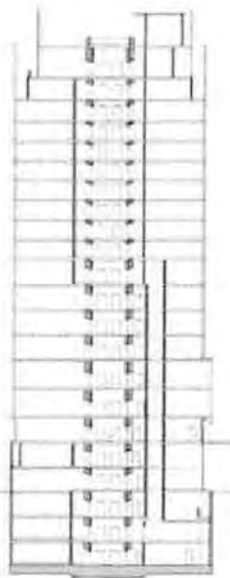
 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA



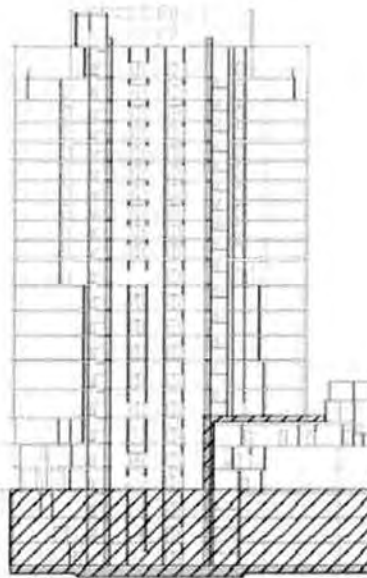
 Mechanical Penthouse Plan

10/15/2011
10/15/2011
Exhibit - Preliminary Plan

 EASEMENT AREAS FOR RECIPROCAL EASEMENT AREA



Building Section
Sheet 10/15/2011



Building Section
Sheet 10/15/2011

10/15/2011
10/15/2011
Exhibit - Preliminary Plan

EXHIBIT "H-1"

Form of Fire Station Deed

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

QUITCLAIM DEED

(Assessor's Parcel No. __, Block __)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, EQX JACKSON SQ HOLDCO LLC, a Delaware limited liability company ("Grantor"), hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, any and all right, title and interest Grantor may have in and to (a) the real property (the "Property") located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof, and (b) all improvements located on the Property and fixtures affixed thereto, and all privileges, easements, tenements and appurtenances thereon or in any way appertaining to the Property.

Executed as of this ____ day of ____, 20__.

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Quitclaim Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. _____, approved _____, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
[NAME]
Director of Property

APPROVED AS TO LEGAL DESCRIPTION:

Bruce Storrs
City and County Surveyor

EXHIBIT A

Legal Description of Property

EXHIBIT "H-2"

Form of City Property Deed

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

Attn: _____

MAIL TAX STATEMENTS TO:

Attn: _____

(Space above this line reserved for Recorder's use only)

Documentary Transfer Tax of \$ _____ based upon full market value of the property without deduction for any lien or encumbrance

QUITCLAIM DEED

(Assessor's Parcel No. ____, Block ____)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), pursuant to Resolution No. _____, adopted by the Board of Supervisors on _____, 20__, and approved by the Mayor on _____, 20__, hereby grants to EQX JACKSON SQ HOLDCO LLC, a Delaware limited liability company, any and all right, title and interest City may have in and to (a) the real property (the "Property") located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof, and (b) all improvements located on the Property and fixtures affixed thereto, and all privileges, easements, tenements and appurtenances thereon or in any way appertaining to the Property.

Executed as of this _____ day of _____, 20__.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
[NAME]
Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

Legal Description of the Property

APPROVED AS TO LEGAL DESCRIPTION:

Bruce Storrs
City and County Surveyor

EXHIBIT "I-1"

Accepted Developer Conditions of Title

1. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No: 90-1
For: San Francisco Unified School District
School Facility Repair and Maintenance
Disclosed by: Notice of Special Tax Lien
Recording Date: July 05, 1990
Recording No.: 573343, in Reel F160, Image 1044, Official Records

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City of San Francisco, County of San Francisco. The tax may not be prepaid.

And amended: September 20, 2010 as Document No. 2010-J052321-00, in Reel J232, Image 0698, Official Records

2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the Developer, or as a result of changes in ownership or new construction, following the Initial Closing.

3. Water rights, claims or title to water, whether or not disclosed by the public records.

4. Matters as shown on that certain map/plat, entitled MAP SHOWING THE WIDENING OF WASHINGTON STREET FROM BATTERY ST. TO SANSOME ST.

Recording Date: September 11, 1974
Recording No: Book "W" of Maps, Page 27

5. Rights of the public in and to that portion of the herein described property as shown on the Map/Plat: MAP SHOWING THE WIDENING OF WASHINGTON STREET FROM BATTERY ST. TO SANSOME ST.

Recording Date: September 11, 1974
Recording No: Book "W" of Maps, Page 27
Street/Road: Washington Street
Affects: PARCEL B

EXHIBIT "I-2"

Accepted City Conditions of Title

1. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No: 90-1
For: San Francisco Unified School District
School Facility Repair and Maintenance
Disclosed by: Notice of Special Tax Lien
Recording Date: July 05, 1990
Recording No.: 573343, in Reel F160, Image 1044, Official Records

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City of San Francisco, County of San Francisco. The tax may not be prepaid.

And amended: September 20, 2010 as Document No. 2010-J052321-00, in Reel J232, Image 0698, Official Records

2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the City, or as a result of changes in ownership or the Fire Station Project.
3. Water rights, claims or title to water, whether or not disclosed by the public records.
4. An encroachment of the improvements situated on the land adjoining on the East onto said land, as disclosed by Agreement by and between Frances Alioto, et al., and Ostrow, Kahn & Kaufman, a partnership recorded June 6, 1967, in Book B149, Page 379 of Official Records.
5. Any rights, interests, or claims which may exist or arise by reason of the following matter disclosed by a survey prepared by Martin M. Ron Associates for Job No.: S-9745 and dated May 20, 2019:
 - i. 0.66' over property line at Bldg., 5' up, 0.66' over property line at roof, as shown on such survey

EXHIBIT "J"

List of Material Developer Documents in Developer's Possession

1. Phase I Environmental Site Assessment – 439-445 Washington Street (AEI Project #349440), by AEI Consultants, dated October 9, 2015, for Cathay Bank
2. Phase I Environmental Site Assessment – 425 Washington Street (AEI Project #371856), by AEI Consultants, dated May 17, 2017, for Paradigm Hotels Group
3. Phase I Environmental Site Assessment – 425 and 435-445 Washington Street and 530 Sansome Street (Project #731728601), by Langan Engineering and Environmental Services, Inc., dated April 17, 2019, for Related California
4. Environmental Site Characterization – 425 and 435-445 Washington Street (Project #731728601), by Langan Engineering and Environmental Services, Inc., dated June 13, 2019, for Related California
5. Environmental Site Characterization – 530 Sansome Street (Project #731728601), by Langan Engineering and Environmental Services, Inc., dated June 14, 2019, for Related California
6. Geotechnical Investigation – 530 Sansome Street and 425 and 435-445 Washington Street (Project #731728602), by Langan Engineering and Environmental Services, Inc., dated December 20, 2019, for Related California
7. Historical Evaluation of 425 and 439-445 Washington Street, San Francisco, by William Kostura, architectural historian, dated May 2017
8. Property Condition Report – 425 & 435-445 Washington Street (Project #406237), by AEI Consultants, dated July 3, 2019, for Starwood Capital Group
9. ALTA Survey – 425 & 439 Washington Street, by Lea & Braze Engineering, Inc., dated May 2, 2018
10. ALTA Survey – 425 & 435-445 Washington Street, by Martin M. Ron Associates, dated June 12, 2019, for Related California
11. ALTA Survey – 530 Sansome Street, by Martin M. Ron Associates, dated June 7, 2019, for Related California
12. Site Survey – 425 & 435-445 Washington Street and 530 Sansome Street, by Martin M. Ron Associates, dated August 20, 2019, for Related California
13. Zoning and Site Requirements Summary – 425 and 439 Washington Street, by The Planning & Zoning Resource Company, dated March 29, 2019

14. Archaeology Initial Constraints Analysis – 425 & 435-455 Washington Street, by PaleoWest, dated April 9, 2019, for Related California
15. Shadow Fan Analysis – 425 Washington Street, by Prevision Design, dated April 8, 2019, for Related California

EXHIBIT "K-1"

Form of Closing Certificate to be Delivered by Developer at Initial Closing

DEVELOPER CLOSING CERTIFICATE (INITIAL CLOSING)

(_____, 202_)

Pursuant to the terms and conditions of that certain Conditional Property Exchange Agreement dated as of _____, 2020 (the "**Agreement**"), by and between the City and County of San Francisco ("**City**"), and EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("**Developer**"), Developer hereby certifies to City that, except as set forth in Schedule 1 attached hereto, all of Developer's representations and warranties contained in Section 7.1 and Section 11.1 of the Agreement are true and correct in all material respects as of the Initial Closing (as defined in the Agreement), subject to all terms and conditions set forth in the Agreement, including, without limitation, the provisions of Section 14.5 of the Agreement.

DEVELOPER:

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____

Schedule 1

Disclosures

EXHIBIT "K-2"

Form of Closing Certificate to be Delivered by Developer at Final Closing

DEVELOPER CLOSING CERTIFICATE (FINAL CLOSING)

(_____, 202_)

Pursuant to the terms and conditions of that certain Conditional Property Exchange Agreement dated as of _____, 2020 (the "**Agreement**"), by and between the City and County of San Francisco ("**City**"), and EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("**Developer**"), Developer hereby certifies to City that, except as set forth in Schedule 1 attached hereto, all of Developer's representations and warranties contained in Section 7.1 and Section 11.1 of the Agreement are true and correct in all material respects as of the Final Closing (as defined in the Agreement), subject to all terms and conditions set forth in the Agreement, including, without limitation, the provisions of Section 14.5 of the Agreement.

DEVELOPER:

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____

Schedule 1

Disclosures

EXHIBIT "L-1"

Form of Closing Certificate to be Delivered by City at Initial Closing

CITY CLOSING CERTIFICATE (INITIAL CLOSING)

(_____, 202_)

Pursuant to the terms and conditions of that certain Conditional Property Exchange Agreement dated as of _____, 2020 (the "**Agreement**"), by and between the City and County of San Francisco ("**City**"), and EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("**Developer**"), City hereby certifies to Developer that, except as set forth in Schedule 1 attached hereto, all of City's representations and warranties contained in Section 7.1 and Section 11.2 of the Agreement are true and correct in all material respects as of the Initial Closing (as defined in the Agreement), subject to all terms and conditions set forth in the Agreement, including, without limitation, the provisions of Section 14.5 of the Agreement.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

Date: _____

Schedule 1
Disclosures

EXHIBIT "L-2"

Form of Closing Certificate to be Delivered by City at Final Closing

CITY CLOSING CERTIFICATE (FINAL CLOSING)

(_____, 202_)

Pursuant to the terms and conditions of that certain Conditional Property Exchange Agreement dated as of _____, 2020 (the "**Agreement**"), by and between the City and County of San Francisco ("**City**"), and EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("**Developer**"), City hereby certifies to Developer that, except as set forth in Schedule 1 attached hereto, all of City's representations and warranties contained in Section 7.1 and Section 11.2 of the Agreement are true and correct in all material respects as of the Final Closing (as defined in the Agreement), subject to all terms and conditions set forth in the Agreement, including, without limitation, the provisions of Section 14.5 of the Agreement.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

Date: _____

Schedule 1
Disclosures

EXHIBIT "M-1"

Form of FIRPTA Affidavit by Developer at Final Closing

CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA Affidavit)

_____, a _____ ("**Transferor**"), indirectly owns one hundred percent (100%) of the interests in EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("**Seller**"). Seller is a disregarded entity for U.S tax purposes, and is the transferor of certain real property (the "**Property**") commonly referred to as _____, San Francisco, California.

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "**City**"), the transferee of the Property, that withholding of tax is not required upon the disposition of the Property pursuant to the terms and conditions of that certain Conditional Property Exchange Agreement dated as of _____, 2020, by and between the Seller and the City, the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's U.S. employer identification number is _____; and
3. Transferor's office address is _____.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 20____.

On behalf of:

[NAME]
a _____

By: _____
[NAME]

Its: _____

EXHIBIT "M-2"

Form of FIRPTA Affidavit by City at Final Closing

CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA Affidavit)

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by _____,

_____, a _____
("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's U.S. employer identification number is _____; and
3. Transferor's office address is _____.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 20____.

On behalf of:

[NAME]

a _____

By: _____
[NAME]

Its: _____

EXHIBIT "N-1"

Developer's General Disclosures

1. Title Commitment: All matters (including encroachments) disclosed in that certain Commitment for Title Insurance dated July 29, 2019, issued by Chicago Title Insurance Company under Order No. 00586859-021.
2. Developer Documents: All matters disclosed in the Developer Documents referenced in Exhibit J to this Agreement.
3. ABE Ordinance Accessibility Violation: Notice to Comply Issued by City and County of San Francisco Department of Building Inspection, issued September 5, 2019. Note, since that date, a site permit application was filed addressing this issue.
4. Case No. CGC-19-579470 VERIFIED COMPLAINT FOR QUIET TITLE (Adverse Possession and Under The Destroy Records Relief Law [CCP § 751 et. Seq.]). EQX JACKSON SQ HOLDCO, LLC, a Delaware Limited Liability Company ("Plaintiff") has filed a complaint to (1) assert that Plaintiff is entitled to a judgment quieting title to the entire fee simple interest in the Existing Developer Property as of June 18, 2019 and adjudging and decreeing that Defendants, as defined in Case No. CGC-19-579470, have no right, title, or interest in or to the aforesaid Existing Developer Property and (2) the Plaintiff is entitled to a judgment decreeing that as of June 18, 2019, Plaintiff be decreed owner of the entire fee simple absolute title to the Existing Developer Property and that Defendants, as defined in Case No. CGC-19-579470, and each of them, and their heirs, successors and assigns, are without any claim, right, title, lien or interest in or to the Existing Developer Property and referred to as the real property of the Plaintiff.

EXHIBIT "N-2"

Developer's Environmental Disclosures

1. Phase I Environmental Site Assessment – 439-445 Washington Street (AEI Project #349440), by AEI Consultants, dated October 9, 2015, for Cathay Bank
2. Phase I Environmental Site Assessment – 425 Washington Street (AEI Project #371856), by AEI Consultants, dated May 17, 2017, for Paradigm Hotels Group
3. Phase I Environmental Site Assessment – 425 and 435-445 Washington Street and 530 Sansome Street (Project #731728601), by Langan Engineering and Environmental Services, Inc., dated April 17, 2019, for Related California
4. Environmental Site Characterization – 425 and 435-445 Washington Street (Project #731728601), by Langan Engineering and Environmental Services, Inc., dated June 13, 2019, for Related California
5. Environmental Site Characterization – 530 Sansome Street (Project #731728601), by Langan Engineering and Environmental Services, Inc., dated June 14, 2019, for Related California

EXHIBIT "O"

City's General Disclosures

1. The Existing City Parcel is subject to San Francisco Health Code Article 22A
2. The Existing City Parcel is subject to the requirements of San Francisco Health Code Article 38
3. Remedial Action Completion Certification for LOP Site No. 10177 dated October 30, 1998, with Case Closure Form for LOP Site No. 10177 dated October 20, 1997, and supporting materials by Clayton Environmental Consultants, Inc., EJM Contractors Inc. (Project No. 7088E), Delta Environmental Laboratories (Ref. Nos. R2500400, R2510400, R2510wet, R2758400, R2758, R3079400w, and R3079
4. Environmental Site Characterization – 530 Sansome Street (Project #731728601), by Langan Engineering and Environmental Services, Inc. dated June 14, 2019, for Related California

EXHIBIT "P"

Form of Memorandum of Conditional Exchange Agreement

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT, dated as of _____, 2020, is by
and between EQX JACKSON SQ HOLDCO LLC, a Delaware limited liability company
("Developer"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation
("City").

1. Developer owns certain real property located in the City and County of San Francisco, California, commonly known as 425-439 Washington Street and more particularly described in Exhibit A attached to and incorporated by this reference in this Memorandum of Agreement (the "Developer Real Property").
2. City owns certain real property located in the City and County of San Francisco, California, commonly known as 530 Sansome Street and more particularly described in Exhibit B attached to and incorporated by this reference in this Memorandum of Agreement (the "City Real Property").
3. Developer and City have entered into that certain unrecorded Conditional Property Exchange Agreement dated as of _____, 2020 (the "Agreement"), incorporated by this reference into this Memorandum (the "Agreement"), pursuant to which City agreed to initially lease and ultimately exchange the City Real Property for a portion of the Developer Real Property, and Developer agreed to build a fire station on a portion of the Developer Real Property and exchange such improved portion of the Developer Real Property for the City Real Property, on all the terms and conditions set forth in the Agreement.
4. The purpose of this Memorandum of Agreement is to give notice of the Agreement and the respective rights and obligations of the parties thereunder, and all of the terms and conditions of the Agreement are incorporated herein by reference as if they were fully set forth herein.
5. This Memorandum of Agreement shall not be deemed to modify, alter or amend in any way the provisions of the Agreement. In the event any conflict exists between the terms of the Agreement and this instrument, the terms of the Agreement shall govern and determine for all purposes the relationship between Developer and City and their respective rights and duties.

6. This Memorandum of Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement as of the date first written above.

DEVELOPER:

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: _____

Name: _____

Its: _____

Date: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Andrico Q. Penick
Director of Property

Date: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "Q"

Form of Assignment of Conditional Property Exchange Agreement

THIS COLLATERAL ASSIGNMENT OF CONDITIONAL PROPERTY EXCHANGE AGREEMENT (this "**Assignment**") is made as of the ___ day of June, 2020, by **EQX JACKSON SQ HOLDCO LLC**, a Delaware limited liability company ("**Borrower**"), to **SPT REAL ESTATE CAPITAL, LLC**, a Delaware limited liability company (successor-in-interest to SPT CA FUNDINGS 2, LLC, a Delaware limited liability company, "**Lender**"), and consented and agreed to by **THE CITY AND COUNTY OF SAN FRANCISCO**, a Charter city and county ("**City**").

RECITALS:

A. Lender has made a loan to Borrower in the maximum principal amount of up to FORTY-TWO MILLION FOUR HUNDRED THOUSAND AND 00/100 DOLLARS (\$42,400,000.00) (the "**Loan**"), which is secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing given by Borrower in favor of SPT CA FUNDINGS 2, LLC a Delaware limited liability company (as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Security Instrument**") establishing a first priority lien on certain real property more particularly described on Exhibit A attached hereto (the "**Property**") to secure the payment and performance of the promissory note and other documents evidencing the Loan (the "**Loan Documents**"), which Security Instrument was recorded in the official records of the City and County of San Francisco on June 18, 2019 as Instrument No. 2019-K783230-00, which Security Instrument was assigned to Lender by an Assignment of Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing and Assignment of Leases and Rents, and Other Recorded Documents which was recorded in the official records of the City and County of San Francisco on June 19, 2019 as Instrument No. 2019-K783439-00.

B. Borrower and City are parties to that certain Conditional Property Exchange Agreement dated as of [even date herewith] (the "**Exchange Agreement**") (a true and correct copy of such Exchange Agreement is attached hereto as Exhibit B) pursuant to which, among other things, (a) Borrower has a conditional right to enter into (i) a long-term ground lease with respect to certain real property owned by the City and more particularly described therein the ("**City Parcel**"), and (ii) a construction management agreement pursuant to which Borrower would construct a new fire station on a portion of the Property and (b) Borrower would, if it enters into the long-term ground lease referenced in clause (i) above and the fee title conveyance conditions precedent in the Exchange Agreement are satisfied, convey a portion of the Property to City, and the City would convey fee title to the City Parcel to Borrower.

C. Lender requires, as a condition to consenting to Borrower's entry into the Exchange Agreement, that Borrower collaterally assign the Exchange Agreement and that Borrower and City agree to the terms, conditions and covenants set forth below.

AGREEMENT

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Exchange Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to Lender all of Borrower's right, title and interest in and to the Exchange Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, upon the occurrence and during the continuance of an Event of Default by Borrower under the Security Instrument or any of the other Loan Documents.

2. Subordination. Subject to the terms of this Assignment, the Exchange Agreement and any and all liens, rights and interests (whether choate or inchoate) owed, claimed or held, by City in and to the Property are and shall be in all respects subordinate and inferior to the Security Instrument and all other liens and security interests created, or to be created, for the benefit of Lender, and securing the repayment of the Loan and the performance of the obligations under the Loan Documents, and all renewals, extensions, increases, supplements, amendments, modifications or replacements thereof.

3. Termination. At such time as the Loan is paid in full and the Security Instrument is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Exchange Agreement shall automatically terminate without any further action on part of Lender or any other party.

4. Estoppel. City represents and warrants that as of the date hereof, (a) the Exchange Agreement is in full force and effect as to City and has not been modified, amended or assigned by City, (b) neither City nor, to City's actual knowledge without duty of inquiry, Borrower is in default under any of the terms, covenants or provisions of the Exchange Agreement, and (c) City has not commenced any action or given or received any notice from Borrower for the purpose of terminating the Exchange Agreement.

5. Lender's Right to Cure. Notwithstanding anything to the contrary in the Exchange Agreement or this Assignment, before exercising any remedy against Borrower for an event of default under the Exchange Agreement:

A. CITY SHALL PROVIDE LENDER WITH WRITTEN NOTICE OF THE BREACH OR DEFAULT BY BORROWER GIVING RISE TO SAME (THE "DEFAULT NOTICE") AND, THEREAFTER, THE OPPORTUNITY TO CURE SUCH BREACH OR DEFAULT AS PROVIDED FOR BELOW.

B. AFTER LENDER RECEIVES A DEFAULT NOTICE, LENDER SHALL HAVE A PERIOD OF THIRTY (30) DAYS BEYOND THE TIME AVAILABLE TO BORROWER UNDER THE EXCHANGE AGREEMENT IN WHICH TO CURE THE BREACH OR DEFAULT BY BORROWER; PROVIDED, IF SUCH BREACH OR DEFAULT IS NOT CAPABLE OF CURE WITHIN THIRTY (30) DAYS, LENDER SHALL HAVE SUCH ADDITIONAL TIME AS LENDER MAY REASONABLE REQUIRE, NOT TO EXCEED NINETY (90) DAYS IN THE AGGREGATE. IN ADDITION, AS TO ANY BREACH OR DEFAULT BY BORROWER THE CURE OF WHICH REQUIRES POSSESSION OR

CONTROL OF THE PROPERTY, LENDER'S CURE PERIOD SHALL CONTINUE FOR SUCH ADDITIONAL TIME AS LENDER MAY REASONABLY REQUIRE TO OBTAIN POSSESSION OR CONTROL OF THE PROPERTY WITH DUE DILIGENCE AND THEREAFTER CURE THE BREACH OR DEFAULT WITH REASONABLE DILIGENCE AND CONTINUITY; PROVIDED, IF THE INITIAL CLOSING (AS DEFINED IN THE EXCHANGE AGREEMENT) HAS OCCURRED, SUCH ADDITIONAL TIME SHALL NOT EXCEED A PERIOD OF ONE (1) YEAR. ANY SUCH BREACH OR DEFAULT THAT IS PERSONAL TO BORROWER (E.G., A BANKRUPTCY EVENT WITH RESPECT TO BORROWER) SHALL BE DEEMED CURED AS TO LENDER'S ASSUMED OBLIGATIONS UNDER THE EXCHANGE AGREEMENT UPON LENDER'S OBTAINING POSSESSION OR CONTROL OF THE PROPERTY; PROVIDED, HOWEVER, THAT CITY SHALL STILL HAVE THE RIGHT TO BRING A SEPARATE CLAIM AGAINST BORROWER AS TO SUCH PERSONAL BREACH OR DEFAULT.

6. Recognition of Qualifying Successor Developer; Release of Borrower.

A. UPON A QUALIFYING SUCCESSOR DEVELOPER (AS DEFINED BELOW) TAKING TITLE TO THE PROPERTY FOLLOWING A FORECLOSURE EVENT (AS DEFINED BELOW), (A) AT SUCH QUALIFYING SUCCESSOR DEVELOPER'S ELECTION, WHICH SHALL BE MADE IN WRITING TO CITY WITHIN THIRTY (30) DAYS OF TAKING TITLE, (I) CITY SHALL RECOGNIZE SUCH QUALIFYING SUCCESSOR DEVELOPER AS THE "DEVELOPER" UNDER THE EXCHANGE AGREEMENT AS AFFECTED BY THIS ASSIGNMENT; (II) THE EXCHANGE AGREEMENT SHALL CONTINUE IN FULL FORCE AND EFFECT AS A DIRECT AGREEMENT, IN ACCORDANCE WITH ITS TERMS (EXCEPT AS PROVIDED IN THIS ASSIGNMENT), BETWEEN SUCH QUALIFYING SUCCESSOR DEVELOPER AND CITY; (III) TO THE EXTENT THEY EXIST AT SUCH TIME OF TAKING TITLE, SUCH QUALIFYING SUCCESSOR DEVELOPER SHALL BE DEEMED TO HAVE AUTOMATICALLY ASSUMED ALL OF BORROWER'S RIGHTS, INTERESTS, AND OBLIGATIONS UNDER THE CONSTRUCTION MANAGEMENT AGREEMENT (AS DEFINED IN THE EXCHANGE AGREEMENT) AND, SUBJECT TO ANY CONSENT RIGHTS OF THE COUNTERPARTY THERETO, THE CONSTRUCTION CONTRACT (AS DEFINED IN THE EXCHANGE AGREEMENT), THE ARCHITECT CONTRACT (AS DEFINED IN THE EXCHANGE AGREEMENT), AND ANY PROJECT CONTRACT (AS DEFINED IN THE EXCHANGE AGREEMENT); AND (IV) SUCH QUALIFYING SUCCESSOR DEVELOPER SHALL BE BOUND TO CITY UNDER ALL THE TERMS AND CONDITIONS OF THE EXCHANGE AGREEMENT AND THE CONSTRUCTION MANAGEMENT AGREEMENT (TO THE EXTENT IT EXISTS AT THE TIME OF A FORECLOSURE EVENT), EXCEPT AS PROVIDED IN THIS ASSIGNMENT OR IN THE CONSTRUCTION MANAGEMENT AGREEMENT (TO THE EXTENT IT EXISTS AT THE TIME OF A FORECLOSURE EVENT), AND (B) THE BORROWER SHALL BE AUTOMATICALLY RELEASED FROM ITS OBLIGATIONS UNDER THE EXCHANGE AGREEMENT AS OF THE DATE OF SUCH ASSUMPTION BY THE QUALIFYING SUCCESSOR DEVELOPER, AND UPON BORROWER'S WRITTEN REQUEST, THE CITY SHALL PROMPTLY CONFIRM THE SAME IN WRITING. THE PROVISIONS OF THIS SECTION 5(A) SHALL BE EFFECTIVE AND SELF-OPERATIVE WITHOUT ANY NEED FOR A QUALIFYING SUCCESSOR DEVELOPER OR CITY TO EXECUTE ANY FURTHER DOCUMENTS (OTHER THAN

NOTICE TO CITY OF QUALIFYING SUCCESSOR DEVELOPER'S ELECTION). CITY SHALL, HOWEVER, CONFIRM THE PROVISIONS OF THIS SECTION 5(A) IN WRITING UPON REQUEST BY ANY QUALIFYING SUCCESSOR DEVELOPER WITHIN TEN (10) BUSINESS DAYS OF SUCH REQUEST.

B. IF THE QUALIFYING SUCCESSOR DEVELOPER TAKING TITLE TO THE PROPERTY AND ASSUMES BORROWER'S RIGHTS, INTERESTS, AND OBLIGATIONS UNDER THE EXCHANGE AGREEMENT FOLLOWING A FORECLOSURE EVENT IS LENDER (OR ITS ASSIGNEE OR NOMINEE), THEN THE FOLLOWING ADDITIONAL TERMS AND CONDITIONS SHALL APPLY NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE EXCHANGE AGREEMENT TO THE CONTRARY:

i. If the Initial Closing has not yet occurred, Qualifying Successor Developer shall have the right to notify City in writing that it elects not to construct the Station Project, in which event each and every deadline imposed upon "Developer" under the Exchange Agreement shall be deemed tolled until the earlier to occur of (A) the fifteen (15) month anniversary of City's receipt of such notification from Qualifying Successor Developer and (B) such Qualifying Successor Developer's transfer of the Property to another party;

ii. If the Initial Closing has occurred, Qualifying Successor Developer shall have the right to notify City in writing that it elects not to construct the Station Project, in which event each and every deadline imposed upon "Developer" under the Exchange Agreement shall be deemed tolled until the earlier to occur of (A) the six (6) month anniversary of the later of (x) City's receipt of such notification from Qualifying Successor Developer and (y) City's granting to Qualifying Successor Developer all rights and privileges of "Developer" under the Exchange Agreement and the other agreement contemplated thereby and (B) such Qualifying Successor Developer's transfer of the Property to another party; and

iii. City shall not withhold its consent to an assignment of the Exchange Agreement by Qualifying Successor Developer to any successor owner of the Property that satisfies the Successor Developer Requirement, and upon consummation of any such assignment of the Exchange Agreement, that assigning Qualifying Successor Developer shall be immediately and automatically released in full from any and all obligations under the Exchange Agreement.

C. THE FOLLOWING TERMS HAVE THE FOLLOWING DEFINITIONS:

i. **"Foreclosure Event"** means: (A) foreclosure under the Security Instrument; (B) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including bankruptcy law) as holder of the Loan and/or the Security Instrument, as a result of which Lender or any other person becomes owner of the Property; or (C) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower's interest in the Property in lieu of any of the foregoing.

ii. **"Qualifying Successor Developer"** means (A) Starwood; (B) any winning bidder at a foreclosure sale with respect to the Property that satisfies the Successor Developer Requirement; or (C) any transferee of Starwood that is approved by City, such approval

not to be unreasonably withheld, conditioned or delayed if such transferee satisfies the Successor Developer Requirement.

iii. **"Starwood"** means SPT REAL ESTATE CAPITAL, LLC, or any other subsidiary or affiliate of Starwood Property Trust, Inc.

iv. **"Successor Developer Requirement"** means, with respect to a successor owner of the Property, that as of the date such owner acquires title to the Property, such owner: (A) has, or has engaged a construction manager with, an least ten (10) years' experience constructing commercial projects; (B) either (x) has a net worth (inclusive of its equity in the Property) equal to at least \$25,500,000 or (y) has delivered to the City a guaranty of performance of the obligations of "Developer" under the Exchange Agreement in an amount that, when aggregated with the net worth of such successor owner, does not exceed \$25,500,000 and otherwise in form and substance reasonably satisfactory to City; and (C) is subject to jurisdiction of the courts of the State of California.

7. Protection of Qualifying Successor Developer. Notwithstanding anything to the contrary in the Exchange Agreement, no Qualifying Successor Developer or other successor owner of the Property shall be liable for or bound by any of the following matters:

A. ANY CLAIM CITY MAY HAVE AGAINST BORROWER RELATING TO ANY EVENT OR OCCURRENCE BEFORE THE CONSUMMATION OF THE FORECLOSURE EVENT, INCLUDING ANY CLAIM FOR INDEMNIFICATION AND/OR DAMAGES OF ANY KIND WHATSOEVER AS THE RESULT OF ANY BREACH BY BORROWER THAT OCCURRED BEFORE THE CONSUMMATION OF THE FORECLOSURE EVENT. THE FOREGOING SHALL NOT LIMIT CITY'S RIGHT TO EXERCISE AGAINST QUALIFYING SUCCESSOR DEVELOPER ANY CLAIM OTHERWISE AVAILABLE TO CITY BECAUSE OF (I) EVENTS OCCURRING AFTER THE CONSUMMATION OF THE FORECLOSURE EVENT OR (II) ANY EVENT THAT OCCURS BEFORE THE CONSUMMATION OF THE FORECLOSURE EVENT TO THE EXTENT IT CONTINUES AFTER SUCH CONSUMMATION AND IS SUSCEPTIBLE TO CURE BY QUALIFYING SUCCESSOR DEVELOPER.

B. ANY MODIFICATION OR AMENDMENT OF THE EXCHANGE AGREEMENT, OR ANY WAIVER OF THE TERMS OF THE EXCHANGE AGREEMENT, MADE WITHOUT LENDER'S PRIOR WRITTEN CONSENT.

C. ANY CONSENSUAL OR NEGOTIATED SURRENDER, CANCELLATION, OR TERMINATION OF THE EXCHANGE AGREEMENT, IN WHOLE OR IN PART, AGREED UPON BETWEEN BORROWER AND CITY WITHOUT LENDER'S WRITTEN CONSENT, UNLESS EFFECTED UNILATERALLY BY CITY PURSUANT TO THE EXPRESS TERMS OF THE EXCHANGE AGREEMENT.

8. Agreement by Borrower and City. Each of Borrower and City hereby agrees that it shall not execute and/or deliver the Ground Lease or the Construction Management Agreement (each as defined in the Exchange Agreement) without the written consent of Lender.

9. Consent and Agreement by City. City hereby acknowledges and consents to this Assignment. City agrees that it will act in conformity with the provisions of this Assignment and Lender's rights hereunder. Further, City hereby agrees not to contest or intentionally impede the proper exercise by Lender of any right it has under or in connection with this Assignment.

10. Further Assurances. City further agrees to (a) execute such affidavits and certificates as Lender shall reasonably require to further City's representations or obligations under this Assignment, and (b) on request from Lender, furnish Lender with copies of such information as Borrower is entitled to receive under the Exchange Agreement to the extent Borrower fails to timely deliver it to Lender following Lender's written request to Borrower.

11. Exculpation. Notwithstanding anything to the contrary in this Assignment or the Exchange Agreement, (a) Lender shall have no liability under the Exchange Agreement unless and until Lender (or its designee or nominee) assumes the obligations under the Exchange Agreement as a Qualified Successor Developer and (b) in such case, Lender's (or its designee's or nominee's, as applicable) obligations and liability under the Exchange Agreement shall never extend beyond Lender's (or its designee's or nominee's, as applicable) interest in the Property from time to time (collectively, the "**Lender's Interest**"). City shall look exclusively to Lender's Interest for payment or discharge of any obligations of Lender (or its designee or nominee, as applicable) under the Exchange Agreement. If City obtains any money judgment against Lender (or its designee or nominee, as applicable) with respect to the Exchange Agreement or the relationship between Lender (or its designee or nominee, as applicable) and City, then City shall look solely to Lender's Interest to collect such judgment. City shall not collect or attempt to collect any such judgment out of any other assets of Lender (or its designee or nominee, as applicable).

12. Governing Law. This Assignment shall be governed by California law.

13. Notices. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if (a) hand delivered or (b) sent by certified or registered United States mail, postage prepaid, return receipt requested or (c) sent by expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery (with a copy of any notice delivered by the methods described in clause (b) or clause (c) to be sent by electronic mail), addressed as follows (or at such other address and Person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 13):

If to Lender: SPT Real Estate Capital, LLC
 c/o Starwood Property Trust, Inc.
 1601 Washington Avenue
 Miami Beach, Florida 33139
 Attention: Asset Management
 Email: jdiamond@starwood.com

with a copy to: Starwood Property Trust, Inc.
591 W. Putnam Avenue
Greenwich, Connecticut 06830
Attention: General Counsel
Email: asossen@starwood.com

with a copy to: Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, CA 94105
Attention: Kahlil Yearwood, Esq.
Email: KYearwood@gibsondunn.com

If to Borrower: EQX Jackson SW Holdco LLC
c/o The Related Companies, L.P.
60 Columbus Circle
New York, NY 10023
Attention: Andrew Dance & Jennifer McCool
Email: adance@related.com & jmccool@related.com

With a copy to: The Related Companies, L.P.
44 Montgomery
San Francisco, CA 94104
Attention: Matthew Witte
Email: matthew.witte@related.com

With a copy to: The Related Companies, L.P.
44 Montgomery
San Francisco, CA 94104
Attention: Gino Canori
Email: gcanori@related.com

With a copy to: Greenberg Traurig, LLP
3161 Michelson Drive, Suite 1000
Irvine, California 92612
Attention: Bruce Fischer, Esq.
Email: fischerb@gtlaw.com

If to City: Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 530 Sansome Property Exchange
Facsimile No.: (415) 552-9216

With a copy to: Carol Wong
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: 530 Sansome Property Exchange
Facsimile No.: (415) 554-4757

A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; or in the case of expedited prepaid delivery, upon the first attempted delivery on a Business Day.

14. No Oral Change. This Assignment may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Lender or City, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

15. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Borrower, City and Lender and their respective successors and assigns forever. Lender shall not assign or transfer its rights under this Assignment in connection with any assignment of the Loan and the Loan Documents without the prior written consent of City, not to be unreasonably withheld, conditioned or delayed; provided, City's consent shall not be required in connection with a transfer to Starwood. Neither Borrower nor City shall have the right to assign or transfer its rights or obligations under this Assignment without the prior written consent of Lender, and any attempted assignment without such consent shall be null and void.

16. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

17. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18. Duplicate Originals, Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date and year first written above.

BORROWER:

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: _____

Name:

Title:

[Signatures Continued on Next Page]

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By:

Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:

Carol Wong
Deputy City Attorney

EXHIBIT A TO COLLATERAL ASSIGNMENT OF
CONDITIONAL PROPERTY EXCHANGE AGREEMENT

Legal Description of Land

PARCEL ONE:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WHICH IS SITUATED AS AFORESAID, AND WHICH IS BOUNDED BY A LINE COMMENCING AT A POINT IN THE SOUTHERLY LINE OF WASHINGTON STREET (AS EXISTED PRIOR TO THE WIDENING THEREOF), DISTANT THEREON 90 FEET AND 3-1/2 INCHES EASTERLY FROM THE POINT OF INTERSECTION OF SAID LINE OF WASHINGTON STREET WITH THE EASTERLY LINE OF SANSOME STREET; RUNNING THENCE EASTERLY ON AND ALONG SAID SOUTHERLY LINE OF WASHINGTON STREET 47 FEET 5-1/2 INCHES; THENCE SOUTHERLY 122 FEET, MORE OR LESS, AND TO A POINT IN THE NORTHERLY LINE OF MERCHANT STREET WHICH IS DISTANT THEREON 137 FEET 9-1/2 INCHES EASTERLY FROM THE POINT OF INTERSECTION OF SAID LINE OF MERCHANT STREET WITH THE EASTERLY LINE OF SANSOME STREET; THENCE WESTERLY, ON AND ALONG SAID LINE OF MERCHANT STREET, 47 FEET AND 6-3/8 INCHES; AND THENCE NORTHERLY 122 FEET TO THE SAID SOUTHERLY LINE OF WASHINGTON STREET AND SAID POINT OF COMMENCEMENT. THE SAME BEING A PORTION OF BEACH AND WATER LOTS NUMBERS 133, 134 AND 135, AS THE SAME ARE NUMBERED, DELINEATED AND SHOWN ON THE OFFICIAL MAP OF SAID CITY AND COUNTY OF SAN FRANCISCO.

EXCEPTING THEREFROM SUCH PORTION OF THE SAME AS IS DESCRIBED IN THAT CERTAIN GRANT DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, DATED MAY 14, 1967 AND RECORDED AUGUST 9, 1967 IN BOOK B167, OF OFFICIAL RECORDS, PAGES 723 AND 724.

APN: LOT 013, BLOCK 0206

PARCEL TWO:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 137 FEET AND 9 INCHES EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF WASHINGTON STREET 40 FEET AND 6 INCHES, MORE OR LESS, TO A POINT ON THE SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 97 FEET WESTERLY FROM THE WESTERLY LINE OF BATTERY STREET; THENCE AT A RIGHT ANGLE SOUTHERLY 122 FEET TO THE NORTHERLY LINE OF MERCHANT STREET; THENCE WESTERLY ALONG SAID LINE OF MERCHANT STREET 40 FEET AND 6 INCHES, MORE OR LESS, TO A POINT ON THE SAID LINE OF MERCHANT STREET, DISTANT THEREON 137 FEET AND 9-1/2 INCHES EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET; RUNNING THENCE NORTHERLY 122 FEET TO THE SOUTHERLY LINE OF WASHINGTON STREET AND THE POINT OF BEGINNING.

BEING PART OF 50 VARA BLOCK NO. 35

EXCEPTING THEREFROM, THAT PORTION OF SAID LAND CONVEYED TO THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, BY DEED RECORDED MAY 26, 1967, IN BOOK B146, PAGE 875 OF OFFICIAL RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 137.750 FEET EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET, AND THENCE RUNNING EASTERLY ALONG SAID LINE OF WASHINGTON STREET 40.50 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY LINE OF WASHINGTON STREET, DISTANT THEREON 97 FEET WESTERLY FROM THE WESTERLY LINE OF BATTERY STREET; THENCE AT A RIGHT ANGLE SOUTHERLY 23 FEET; THENCE AT A RIGHT ANGLE WESTERLY 40.50 FEET, MORE OR LESS, TO A LINE DRAWN FROM THE POINT OF BEGINNING TO A POINT ON THE NORTHERLY LINE OF MERCHANT STREET, DISTANT THEREON 137.792 FEET EASTERLY FROM THE EASTERLY LINE OF SANSOME STREET; THENCE RUNNING NORTHERLY ALONG SAID LINE SO DRAWN 23 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF 50 VARA BLOCK NO. 35.

APN: LOT 014, BLOCK 0206

**EXHIBIT B TO COLLATERAL ASSIGNMENT OF
CONDITIONAL PROPERTY EXCHANGE AGREEMENT**

Exchange Agreement

(see attached)

EXHIBIT "R"

Description of Existing Lease

Dr. Adam Jacobs, dba SF Custom Chiropractic

- a. Commercial Lease Agreement dated December 17, 2010
- b. First Amendment to Lease dated May 11, 2015
- c. Second Amendment to Lease dated April 22, 2019
- d. Third Amendment to Lease dated June 18, 2020

TOTAL DEVELOPMENT COSTS ALLOCATION
S30 SANSOME - PROJECT BUDGET

Keys	200 units	200 units	0 units
Total Frontage (Linear SF)	419LF	271LF	148LF
% Total Frontage	100%	65%	35%
Total GSF	303,300gsf	272,550gsf	30,750gsf
% Total GSF	100%	90%	10%

Category			Budget	Total	Tower	Fire Station
LAND ACQUISITION						
Land Purchase Price		Allocated to Tower		\$38,535,000	\$38,535,000	\$0
Fire Station 13 Broker Fee	Colliers International	Allocated to FS13		N/A	N/A	TBD
Fire Station 13 Transfer Tax	CCSF obligation	Allocated to FS13		N/A	N/A	TBD
Real Property Taxes		City parcel exempt		N/A	N/A	TBD
Acquisition & Predev Interest Reserve		Pro rata based on GSF		\$6,234,528	\$5,602,442	\$632,086
Acquisition & Predev Loan Origination		Pro rata based on GSF		\$424,000	\$381,013	\$42,987
Total Land Acquisition				\$45,193,528	\$44,518,455	\$675,073
HARD COSTS						
Trade Costs		See Hard Cost detail			N/A	\$22,599,115
General Conditions			5.00%		N/A	\$1,129,956
Overhead & Fee			3.50%		N/A	\$830,517
Insurance & Bonds			0.80%		N/A	\$196,477
Construction Management		Allocated to Tower	1.50%	\$368,394	\$368,394	\$0
Hard Cost Contingency			5.00%		N/A	\$1,237,803
Escalation			3.00%		N/A	\$742,682
Total Hard Costs				N/A	\$368,394	\$26,736,550
PROFESSIONAL FEES						
Executive Architect	SOM / Steinberg Hart	Actual contract	\$5,800,000	\$6,362,863	\$5,143,707	\$1,219,155
Interior Design		Allocated to Tower		N/A	N/A	N/A
Landscape	Cliff Lowe	Based on Frontage LF	\$125,000	\$104,850	\$67,882	\$36,968
Civil Engineer	BKF Engineers	Pro rata based on GSF	\$100,000	\$96,000	\$60,000	\$36,000
Environmental	Langan	Pro rata based on GSF	\$40,000	\$40,000	\$35,945	\$4,055
Geotechnical	Langan	Pro rata based on GSF	\$300,000	\$300,000	\$269,585	\$30,415
Structural	SOM / DCI	Pro rata based on GSF	\$450,000	\$480,435	\$344,648	\$135,787
MEP-Initial Spec	CB Engineers / Meyers+	Pro rata based on GSF	\$150,000	\$432,000	\$372,270	\$59,730
MEP-Design		Pro rata based on GSF	\$550,000	\$550,000	\$494,238	\$55,762
Sustainability		Pro rata based on GSF	\$100,000	\$100,000	\$89,862	\$10,138
Acoustical		Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
Parking & Traffic	Walker Parking	Pro rata based on GSF	\$55,000	\$55,000	\$49,424	\$5,576
Elevator	Edgett Williams	Pro rata based on GSF	\$50,000	\$57,500	\$51,670	\$5,830
Waterproofing		Pro rata based on GSF	\$225,000	\$225,000	\$202,188	\$22,812
Wind Tunnel		Allocated to Tower		N/A	N/A	N/A
Testing & Inspection		Pro rata based on GSF	\$750,000	\$750,000	\$673,961	\$76,039
Surveying	Martin Ron & Assoc	Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
Fire/Life Safety	The Fire Consultants	Pro rata based on GSF	\$110,000	\$109,000	\$95,800	\$13,200
Accessibility		Pro rata based on GSF	\$40,000	\$40,000	\$35,945	\$4,055
Kitchen		Allocated to Tower		N/A	N/A	N/A
Lighting		Pro rata based on GSF	\$100,000	\$100,000	\$89,862	\$10,138
Window Washing		Allocated to Tower		N/A	N/A	N/A
Printing		Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
Market Studies		Allocated to Tower		N/A	N/A	N/A
Appraisal		Allocated to Tower		N/A	N/A	N/A
Expeditor		Pro rata based on GSF	\$100,000	\$100,000	\$89,862	\$10,138
Community Outreach		Pro rata based on GSF	\$75,000	\$75,000	\$67,396	\$7,604
CEQA Consultants		Pro rata based on GSF	\$150,000	\$150,000	\$134,792	\$15,208
Signage		Pro rata based on GSF	\$25,000	\$25,000	\$22,465	\$2,535
Other Architects & Engineers		Pro rata based on GSF	\$250,000	\$250,000	\$224,654	\$25,346
Total Professional Fees			\$9,770,000	\$10,627,648	\$8,818,344	\$1,809,304
PERMITS & FEES						
Permits & Approvals		See detailed schedule		\$21,236,483	\$20,507,957	\$728,527
Total Permits & Fees				\$21,236,483	\$20,507,957	\$728,527
LEGAL & ACCOUNTING						
Legal & Accounting		Pro rata based on GSF		\$1,500,000	\$1,347,923	\$152,077
Total Legal & Accounting				\$1,500,000	\$1,347,923	\$152,077
FINANCING COSTS						
Senior Loan Financing Fees	Placeholder - CCSF to seek alternative financing			\$1,601,586	\$1,439,209	\$162,376
Construction Loan Interest Reserve	Placeholder - CCSF to seek alternative financing			\$14,773,214	\$13,275,435	\$1,497,779
Total Financing Costs				\$16,374,800	\$14,714,645	\$1,660,155
OTHER SOFT COSTS						
Developer Fee		Allocated to Tower		\$9,081,863	\$9,081,863	\$0
Soft Cost Contingency		Pro rata based on GSF		\$3,617,334	\$3,250,592	\$366,743
Total Financing Costs				\$12,699,197	\$12,332,455	\$366,743
Total Costs				N/A	N/A	\$32,128,429

530 SANSOME - FIRE STATION 13 HARD COST BUDGET

Design Status: Site Permit Submittal 12/20/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
Building Footprint	17,729	sf				7,920	9,809
Gross Building Area	303,300	sf				30,750	272,550
Fire Station Floors	4					4	0
Tower Floors	19					0	19
Fire Station Elevator Cars	1					1	0
Hotel Rooms	200					0	200
B1 Parking Slab	16,585	sf				9,541	7,044
B2 Parking Slab	16,290	sf				257	16,033
B3 Parking Slab	16,290	sf				0	16,290
Columns	178	units				70	108
Construction Duration	28	months					
Building Footprint						45%	55%
Gross Building Area						10%	90%
B1 Parking Slab						58%	42%
B2 Parking Slab						2%	98%
Columns						39%	61%

1 Demo, Earthwork, Sitework							
1-01 Demolition							
1-02 Existing 530 Sansome Structure	32,967	sf	\$10.00	\$329,670.00	10%	\$33,423.52	\$296,246.48
1-03 Existing 425, 439-445 Washington Structure	13,266	sf	\$10.00	\$132,660.00	10%	\$13,449.70	\$119,210.30
1-04 312300 - Excavation and Fill							
1-05 Excavation and Dewatering	26,667	cy	\$140.00	\$3,733,333.33	10%	\$378,503.13	\$3,354,830.20
1-06 314000 - Shoring and Underpinning							
1-07 Wall Shoring - North, West, South	18,160	sf	\$180.00	\$3,268,800.00	10%	\$331,406.53	\$2,937,393.47
1-08 Underpinning and Tiebacks - East	4,000	sf	\$250.00	\$1,000,000.00	10%	\$101,384.77	\$898,615.23
1-09 071200 - Built-up Bituminous Waterproofing							
1-10 Tieback Waterproofing	1	ls	\$30,000.00	\$30,000.00	10%	\$3,041.54	\$26,958.46
1-11 330000 - Site Utilities							
1-12 Typical Site Utilities Tie-In	1	ls	\$150,000.00	\$150,000.00	10%	\$15,207.72	\$134,792.28
2 Exterior Improvements							
2-01 320000 - Exterior Improvements							
2-02 Fire Station Training Roof Deck Unit Paving	2,024	sf	\$80.00	\$161,920.00	100%	\$161,920.00	\$0.00
2-03 Sidewalk Replacement	4,500	sf	\$23.00	\$103,500.00	10%	\$10,493.32	\$93,006.68
2-04 Existing Trees to be Removed	3	ea	\$5,000.00	\$15,000.00	100%	\$15,000.00	\$0.00
3 Foundation							
3-01 030000 - Concrete Mat							
3-02 Foundation Concrete	2,800	cy	\$472.50	\$1,323,000.00	10%	\$134,132.05	\$1,188,867.95
3-03 Foundation Rebar (250 LBS/CY)	700,000	lbs	\$1.20	\$840,000.00	10%	\$85,163.20	\$754,836.80
3-04 Rat Slab and Protection Slab	17,622	sf	\$7.00	\$123,354.00	10%	\$12,506.22	\$110,847.78
3-05 316000 - Foundations and Load-Bearing Elements							
3-06 (275) 24" Dia. Auger Cast Piles @ 80' Depth	22,000	lf	\$200.00	\$4,400,000.00	0%	\$0.00	\$4,400,000.00
3-07 Auger Cast Pile Rebar (125 LBS/CY)	320,000	lbs		Included above			
4 Structure (incl. Misc Steel & Stairs)							
4-01 033000 - Cast-in-Place Concrete							
4-02 Basement Walls	19,944	sf	\$63.00	\$1,256,472.00	10%	\$127,387.12	\$1,129,084.88
4-03 Columns							
4-04 B3 to L5 - (22) 18"x32" @ 8 Levels	178	ea	\$3,000.00	\$534,000.00	10%	\$54,139.47	\$479,860.53
4-05 L6 to Roof - (20) 18"x24" @ 14 Levels	360	ea	\$3,000.00	\$1,080,000.00	0%	\$0.00	\$1,080,000.00
4-06 Fire Station Isolation (8)	8	ea	\$15,000.00	\$120,000.00	10%	\$12,166.17	\$107,833.83
4-07 Shear Walls							
4-08 Core Wall	64,232	sf	\$57.89	\$3,718,677.60	10%	\$377,017.26	\$3,341,660.34
4-09 Basement	10,656	sf	\$38.83	\$413,820.90	10%	\$41,955.14	\$371,865.76
4-10 Fire Station - Moment Frames	1		\$500,000.00	\$500,000.00	100%	\$500,000.00	\$0.00
4-11 Parking Slabs							
4-12 Level B1 - 9 1/2" Mild Slab	16,585	sf	\$27.00	\$447,795.00	58%	\$257,607.00	\$190,188.00
4-13 Level B2 - 9 1/2" Mild Slab	16,585	sf	\$27.00	\$447,795.00	2%	\$7,064.66	\$440,730.34
4-14 Typical + Fire Station Ground Floor							
4-15 Level 1 - 12" Mild Slab - Tower	9,436	sf	\$27.00	\$254,772.00	0%	\$0.00	\$254,772.00
4-16 Level 1 - 12" Mild Slab - Fire Station	8,000	sf	\$27.00	\$216,000.00	100%	\$216,000.00	\$0.00
4-17 Hotel Mezzanine Slab							
4-18 Level 2 - 8 1/2" PT Slab	6,770	sf	\$27.00	\$182,790.00	0%	\$0.00	\$182,790.00
4-19 Health Club Slabs							
4-20 Level 3 to 5 - 9" PT Slab	37,058	sf	\$27.00	\$1,000,566.00	0%	\$0.00	\$1,000,566.00
4-21 Typical Hotel and Residential Slabs							
4-22 Level 6 to 19 - 7" PT Slab	173,361	sf	\$27.00	\$4,680,747.00	0%	\$0.00	\$4,680,747.00
4-23 Typical Fire Station Slabs							
4-24 Level 2 to 5 - 8" PT Slab (L5 10" Slab Assumed)	12,765	sf	\$27.00	\$344,655.00	100%	\$344,655.00	\$0.00
4-25 Amenity Deck Slabs							

530 SANSOME - FIRE STATION 13 HARD COST BUDGET

Design Status: Site Permit Submittal 12/20/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
4-26 Level 5 + Roof - 10" PT Slab Assumed	16,316	sf	\$27.00	\$440,532.00	10%	\$44,663.23	\$395,868.77
4-27 Transfer Beams							
4-28 90 Linear FT	90	lf	\$2,100.00	\$189,000.00	10%	\$19,161.72	\$169,838.28
4-29 032000 - Concrete Reinforcing							
4-30 Basement Walls	108,850	lbs	\$1.20	\$130,620.00	10%	\$13,242.88	\$117,377.12
4-31 Columns	560,950	lbs	\$1.20	\$673,140.00	10%	\$68,246.14	\$604,893.86
4-32 Shear Walls	1,790,250	lbs	\$1.20	\$2,148,300.00	10%	\$217,804.90	\$1,930,495.10
4-33 Mild Slabs							
4-34 Level B1 & B2 - Parking Mild Slab	182,435	lbs	\$1.20	\$218,922.00	30%	\$65,247.08	\$153,674.92
4-35 Level 1 - Mild Slab	89,642	lbs	\$1.20	\$107,570.40	46%	\$49,355.54	\$58,214.86
4-36 PT Slabs							
4-37 Level 2 to 5 Hotel Mez + Club - Slab Rebar	96,422	lbs	\$1.20	\$115,705.92	0%	\$0.00	\$115,705.92
4-38 Level 2 to 5 Hotel Mez + Club - PT Tendons	41,637	lbs	\$3.00	\$124,909.80	0%	\$0.00	\$124,909.80
4-39 Typical Hotel and Residential Slabs							
4-40 Level 6 to Roof - Slab Rebar	360,386	lbs	\$1.20	\$432,463.56	0%	\$0.00	\$432,463.56
4-41 Level 6 to Roof - PT Tendons	161,225	lbs	\$3.00	\$483,676.35	0%	\$0.00	\$483,676.35
4-42 Typical Fire Station Slabs							
4-43 Level 2 to 5 - Slab Rebar	29,998	lbs	\$1.20	\$35,997.30	100%	\$35,997.30	\$0.00
4-44 Level 2 to 5 - PT Tendons	12,765	lbs	\$3.00	\$38,295.00	100%	\$38,295.00	\$0.00
4-45 Concrete Upcharge							
4-46 Category IV Below Grade Structure	50,160	sf	\$7.50	\$376,200.00	10%	\$38,140.95	\$338,059.05
4-47 055000 - Miscellaneous Metals							
4-48 GSF Allowance	30,750	gsf	\$5.00	\$153,750.00	100%	\$153,750.00	\$0.00
4-49 057300 - Handrails and Railings							
4-50 Fire Station Mezz. Railings - Assumed Metal	150	lf	\$225.00	\$33,750.00	100%	\$33,750.00	\$0.00
4-51 055100 - Metal Stairs							
4-52 Stair 01 - Core West (B3 to Roof)	22	flt	\$17,000.00	\$374,000.00	7%	\$25,500.00	\$348,500.00
4-53 Stair 02 - Building SE Corner (B3 to L4)	7	flt	\$17,000.00	\$119,000.00	100%	\$119,000.00	\$0.00
4-54 Stair 03 - Firehouse Stairs (L1 to L3 & L1 to L2)	3	flt	\$17,000.00	\$51,000.00	100%	\$51,000.00	\$0.00
5 Exterior Enclosure							
5-01 076000 - Flashing and Sheet Metal							
5-02 Flashing and Sheet Metal	30,750	gsf	\$7.50	\$230,625.00	100%	\$230,625.00	\$0.00
5-03 079513 - Expansion Joint Cover Assemblies							
5-04 Tower (Cat. II) to Fire Station (Cat. IV) Seismic Jt.	183	lf	\$350.00	\$64,050.00	50%	\$32,025.00	\$32,025.00
5-05 Fire Station to Neighbors	183	lf	\$350.00	\$64,050.00	100%	\$64,050.00	\$0.00
5-06 000000 (Undefined) - Firehouse Enclosure							
5-07 Undefined Firehouse Enclosure @ North & Sout	5,920	sf	\$175.00	\$1,036,000.00	100%	\$1,036,000.00	\$0.00
5-08 Firehouse Vehicle Doors	4	ea	\$40,000.00	\$160,000.00	100%	\$160,000.00	\$0.00
5-09 Firehouse Storefront	362	sf	\$120.00	\$43,440.00	100%	\$43,440.00	\$0.00
5-10 Firehouse Entry and Lobby Doors	2	leaf	\$7,500.00	\$15,000.00	100%	\$15,000.00	\$0.00
6 Roofing & Waterproofing							
6-01 075000 - Membrane Roofing							
6-02 Roofing - Fire Department Training Deck	2,266	sf	\$25.00	\$56,650.00	100%	\$56,650.00	\$0.00
6-03 Roofing - BBQ Patio	70	sf	\$50.00	\$3,500.00	100%	\$3,500.00	\$0.00
6-04 071000 - Damproofing and Waterproofing							
6-05 Vertical Waterproofing - Below Grade	22,160	sf	\$22.00	\$487,520.00	10%	\$49,427.10	\$438,092.90
6-06 Horizontal Waterproofing - Below Grade	17,622	sf	\$20.00	\$352,440.00	10%	\$35,732.05	\$316,707.95
6-07 079000 - Joint Protection							
6-08 GSF Allowance	30,750	gsf	\$0.20	\$6,150.00	100%	\$6,150.00	\$0.00
7 Interior Construction							
7-01 061053 - Miscellaneous Rough Carpentry							
7-02 Miscellaneous Carpentry GSF Allowance	30,750	gsf	\$1.25	\$38,437.50	100%	\$38,437.50	\$0.00
7-03 Fire-Treated Plywood Backerboards	4	floors	\$1,000.00	\$4,000.00	100%	\$4,000.00	\$0.00
7-04 062000 - Finish Carpentry							
7-05 Undefined: See 090000 Finish Allowances				\$0.00		\$0.00	\$0.00
7-06 081000 - Doors and Frames							
7-07 Fire Station - Single Rated Door	18	ea	\$3,200.00	\$57,600.00	100%	\$57,600.00	\$0.00
7-08 Fire Station - Single FOH Door	20	ea	\$2,800.00	\$56,000.00	100%	\$56,000.00	\$0.00
7-09 Fire Station - Single BOH Door	14	ea	\$2,000.00	\$28,000.00	100%	\$28,000.00	\$0.00
7-10 083100 - Access Doors & Panels							
7-11 Access Doors & Panels GSF Allowance	30,750	gsf	\$0.20	\$6,150.00	100%	\$6,150.00	\$0.00
7-12 088000 - Glazing (Interior)							
7-13 Interior Glazing GSF Allowance	30,750	gsf	\$3.50	\$107,625.00	100%	\$107,625.00	\$0.00
7-14 090000 - Finish Allowances							
7-15 Fire Station Lobby	45	sf	\$150.00	\$6,750.00	100%	\$6,750.00	\$0.00
7-16 Fire Station - Finishes GSF Allowance	30,750	gsf	\$275.00	\$8,456,250.00	100%	\$8,456,250.00	\$0.00
7-17 Storage (x4), Janitor's (x3), others rooms below							
7-18 Officers' Quarters (x3), Third	915	sf					
7-19 Locker Rooms (x2), Third	845	sf					

530 SANSOME - FIRE STATION 13 HARD COST BUDGET

Design Status: Site Permit Submittal 12/20/19

Description	Quantity	Unit	Unit \$	Total \$	% Split	Fire Station	Tower
7-20 Laundry, Third	90	sf					
7-21 Library, Third	160	sf					
7-22 Wellness, Third	65	sf					
7-23 Study, Third	120	sf					
7-24 Kitchen (Pantry), Second	450	sf					
7-25 Dining, Second	225	sf					
7-26 Day Room, Second	525	sf					
7-27 Fitness, Second	775	sf					
7-28 Turn Out / Drying Room, First Floor	200	sf					
7-29 Trash, First Floor	130	sf					
7-30 Shop, First Floor	240	sf					
7-31 Comm Room / Captain's Office, First Floor	260	sf					
7-32 Special Gear, First Floor	100	sf					
7-33 092116 - Gypsum Board Assemblies							
7-34 Drywall	30,750	gsf	\$32.00	\$984,000.00	100%	\$984,000.00	\$0.00
7-35 092400 - Portland Cement Plastering							
7-36 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7-37 093000 - Tiling							
7-38 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7-39 093000 - Acoustical Tile Ceilings							
7-40 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7-41 096500 - Resilient Flooring							
7-42 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7-43 096800 - Carpentry							
7-44 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7-45 097000 - Wall Finishes							
7-46 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
7-47 099000 - Painting and Coatings							
7-48 Undefined: See 090000 Finish Allowances			\$0.00	\$0.00		\$0.00	\$0.00
8 Specialties							
8-01 101400 - Signage							
8-02 Interior Signage and Graphics (Code Only)	30,750	ls	\$1.00	\$30,750.00	100%	\$30,750.00	\$0.00
8-03 102800 - Toilet, Bath, and Laundry Specialties							
8-04 Locker Room Restroom Specialties	2	ea	\$8,000.00	\$16,000.00	100%	\$16,000.00	\$0.00
8-05 Fire Station Restroom Specialties (Inc. Public)	7	ea	\$3,000.00	\$21,000.00	100%	\$21,000.00	\$0.00
8-06 104400 - Fire Protection Specialties							
8-07 Fire Stat. Fire Exting. & Cabinets - Recessed	10	ea	\$750.00	\$7,500.00	100%	\$7,500.00	\$0.00
8-08 105110 - Lockers							
8-09 Fire Station Metal Lockers (App Bay)	49	ea	\$325.00	\$15,925.00	100%	\$15,925.00	\$0.00
8-10 129310 - Bicycle Racks							
8-11				\$0.00		\$0.00	\$0.00
9 Equipment							
9-01 110000 - Equipment							
9-02 Fire Station Equipment GSF Allowance	30,750	gsf	\$5.00	\$153,750.00	100%	\$153,750.00	\$0.00
9-03 112400 - Window Washing Equipment							
9-04 Window Washing System				\$0.00		\$0.00	\$0.00
9-05 113000 - Home Equipment							
9-06 Kitchen Appliances	1	ea	\$50,000.00	\$50,000.00	100%	\$50,000.00	\$0.00
9-07 Laundry Appliances	1	ea	\$25,000.00	\$25,000.00	100%	\$25,000.00	\$0.00
9-08 118226 - Waste Compactors							
9-09 Trash Compactor - Fire Station	1	ea	\$65,000.00	\$65,000.00	100%	\$65,000.00	\$0.00
12 Conveying							
12-01 142000 - Elevators							
12-02 Fire Station Elevator - B1-L5	5	stops	\$65,000.00	\$325,000.00	100%	\$325,000.00	\$0.00
12-03 Elevator Cab Finishes - Fire Station	1	cars	\$35,000.00	\$35,000.00	100%	\$35,000.00	\$0.00
12-04 055000 - Miscellaneous Metals (Elevator Steel Only)							
12-05 Misc Metals	1	ea	\$20,000.00	\$20,000.00	100%	\$20,000.00	\$0.00
12-06 149100 - Facility Chutes							
12-07				\$0.00		\$0.00	\$0.00
13 Fire Protection							
Fire Protection	30,750	gsf	\$10.00	\$307,500.00	100%	\$307,500.00	\$0.00
14 Plumbing							
Plumbing	30,750	gsf	\$50.00	\$1,537,500.00	100%	\$1,537,500.00	\$0.00
15 HVAC							
Mechanical	30,750	gsf	\$40.00	\$1,230,000.00	100%	\$1,230,000.00	\$0.00
16 Electrical including Low Voltage							
Electrical/Low Voltage	30,750	gsf	\$100.00	\$3,075,000.00	100%	\$3,075,000.00	\$0.00
TOTAL CONSTRUCTION COSTS:						\$22,599,114.91	

FIRST AMENDMENT TO CONDITIONAL PROPERTY EXCHANGE AGREEMENT

THIS FIRST AMENDMENT TO CONDITIONAL PROPERTY EXCHANGE AGREEMENT (this “**First Amendment**”) is entered into as of the 27th day of July, 2022 (the “**Effective Date**”), by and between EQX JACKSON SQ HOLDCO LLC, a Delaware limited liability company (“**Developer**”), and CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), with reference to the recitals set forth below.

RECITALS

A. Developer and City are parties to that Conditional Property Exchange Agreement dated as of July 30, 2020 (the “**CPEA**”). All initially-capitalized terms not otherwise defined herein have the meanings set forth in the CPEA unless the context clearly indicates otherwise.

B. Since execution of the CPEA, Developer and City have both worked in good faith to reach agreement on the documents contemplated by Section 1.7 of the CPEA. However, notwithstanding such good faith efforts on the part of Developer and City, due to COVID 19 and its broad impact on the Country, the State of California and the City and County of San Francisco (including lockdowns and the remote working environment), the parties were delayed, until now, in reaching agreement on the documents referenced in Section 1.7 of the CPEA. In connection with the foregoing, Developer and City have agreed to modify the terms of the CPEA as set forth in this First Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intended to be legally bound, Developer and City agree as follows:

1. **Recitals.** The Recitals set forth above are hereby incorporated herein by reference as if the same were fully set forth herein.

2. **Amendments.**

(a) **Merger of Tower Project Easement Agreement and Reciprocal Easement Agreement Into One Document.** Developer and City have decided to combine the Project Easement Agreement and the Reciprocal Easement Agreement into one document entitled “Declaration of Easements with Covenants, Conditions and Restrictions” (the “**Declaration of Easements**”), and in furtherance thereof, (i) all references in the CPEA to the Project Easement Agreement and/or the Reciprocal Easement Agreement shall be deemed to be a reference to the Declaration of Easements, and (ii) all of the terms and conditions in the CPEA making reference to the Project Easement Agreement and/or the Reciprocal Easement Agreement shall be interpreted to take into account the merger of the Project Easement Agreement and the Reciprocal Easement Agreement into the Declaration of Easements. As a closing condition to the Final Closing, Developer and City shall have agreed to the legal descriptions for the easements in the Declaration of Easements.

(b) **Extension of Time for Approval of Declaration of Easements, Construction Management Agreement, Ground Lease, Architect Contract and Construction Contract.** Notwithstanding anything stated to the contrary in the CPEA, City and Developer

hereby agree that the time period by which they are required to agree upon the respective forms of the Declaration of Easements, Construction Management Agreement, Ground Lease, Architect Contract and Construction Contract shall be, and hereby is, extended to the Effective Date, and, in furtherance of such extension, (i) all references in the CPEA to the "First Approval Deadline" shall mean the Effective Date, and (ii) the terms and provisions of the CPEA shall be interpreted to take into account the extension provided for in this Paragraph 2(b).

(c) Completion Guaranty. Developer and City have agreed that on or before the Initial Closing Date, Developer will cause The Related Companies, L.P., a New York limited partnership, to deliver a Completion Guaranty in favor of the City in the form approved by Developer and the City as of the Effective Date (the "**Completion Guaranty**"). Accordingly, Section 8.1 of the CPEA is amended to require that, for the Initial Closing, the Developer shall cause to be delivered to the City a duly executed Completion Guaranty, and Section 9.3 of the CPEA is amended to require that, unless Developer has delivered a duly executed original Completion Guaranty to the City outside of escrow, Developer will deliver to escrow a duly executed original Completion Guaranty.

(d) Title Policies. Sections 6.2(a) and 6.2(b) are amended to reflect that the amount of the Developer Leasehold Title Policy and the City Title Policy will be mutually agreed upon by Developer and the City at least sixty (60) days before the Initial Closing (not the First Approval Deadline), provided the City Title Policy shall be in an amount not less than the cost of constructing the Station Project. Section 6.2(c) is amended to reflect that the amount of the Developer Fee Title Policy will be mutually agreed upon by Developer and the City at least sixty (60) days before the Final Closing (not the First Approval Deadline).

(e) Initial Closing Date. Developer and City agree that the Initial Closing will occur on or before December 31, 2023. The first sentence of Section 9.2(a) is amended to read as follows: "The sale and transfer of the leasehold estate in the Existing City Property (including all improvements situated thereon) to the Developer by the City pursuant to the Ground Lease, all as contemplated under this Agreement (the "**Initial Closing**"), shall be held, and delivery of all items to be made at the Initial Closing under the terms of this Agreement shall be made, at the offices of Title Company on a date (the "**Anticipated Initial Closing Date**") that is after the Agreement Ratification Date and before December 31, 2023.

3. Ratification and Agreement Ratification Date. City acknowledges and agrees that it has, pursuant to Resolution No. 543-21, approved and ratified the CPEA and this First Amendment, and has approved and ratified the forms of Architect Contract, Construction Contract, Ground Lease, Construction Management Agreement, Completion Guaranty, and Declaration of Easements attached to the email transmitted to the City by Bruce Fischer on July 27, 2022, and to which Charles Sullivan approved by email, and, in connection with the foregoing, the City and the Developer acknowledge that the "Agreement Ratification Date" and the CEQA Date occurred on the Effective Date.

4. Expiration of Due Diligence Period. City and Developer acknowledge that, as of the Effective Date, the Due Diligence Period has expired, and neither City nor the Developer have any right to terminate the CPEA under the provisions of Section 7.2 of the CPEA.

5. **Effectiveness of Agreement.** Except as modified by this First Amendment, all the terms of the CPEA shall remain unchanged and in full force and effect.

6. **Counterparts.** This First Amendment may be executed in counterparts, and all counterparts together shall be construed as one document.

7. **Scanned/Emailed Signatures.** A counterpart of this First Amendment that is signed by one party to this First Amendment and scanned/mailed to the other party to this First Amendment or its counsel (i) shall have the same effect as an original signed counterpart of this First Amendment, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this First Amendment.

8. **Successors and Assigns.** All of the terms and conditions of this First Amendment shall apply to benefit and bind the successors and assigns of the respective parties.

IN WITNESS WHEREOF, Developer and City have entered into this First Amendment as of the Effective date.

[SIGNATURES ON NEXT PAGE]

Execution Version

“DEVELOPER”

EQX JACKSON SQ HOLDCO LLC,
a Delaware limited liability company

By: 
Name: Jonathan Shum,
Its: Vice President

Execution Version

“CITY”

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: Andrico Q. Penick
Andrico Q. Penick,
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Charles Sullivan, Deputy City Attorney

"CITY"

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick,
Director of Property

APPROVED AS TO FORM:

DAVID CHOI, City Attorney

By: 
Charles Sullivan, Deputy City Attorney



January 18, 2024

Honorable Board of Supervisor
City and County of San Francisco City Hall, Room 224
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: Second Amendment to Conditional Property Exchange Agreement
– 530 Sansome – Fire Station 13

Dear Board of Supervisors:

On behalf of the San Francisco Fire Department, the Real Estate Division is enclosing for your consideration a resolution approving a second amendment to the Conditional Property Exchange Agreement (“CPEA”) with EQX JACKSON SQ HOLDCO LLC (“Developer”) for a transfer of City real property at 530 Sansome Street (“City Property”) in exchange for a portion of the real property at 425-439 Washington Street and authorizing the Director of Property and City staff to proceed with the proposed new Fire Station 13 development project.

On April 30, 2019, the Board of Supervisors adopted Resolution No. 220-19 which approved the CPEA for the planning and potential exchange of the City Property for a new fire station to be completed by Developer. Under the CPEA, Developer intends to build a new four-story, 19,266 gross square foot fire station building (the “New Fire Station”) on a future legal parcel of approximately 5,643 square feet at Washington Street mid-block between Sansome and Battery (the “Exchange Parcel”), and a new vertically-integrated mixed-use high-rise at the southeast corner of Sansome and Washington to contain either lower level lobby space, ground floor and rooftop restaurant spaces, a health club of approximately 35,000 square feet, a 200 room hotel and approximately 40,000 square feet of offices, or a proposed residential variant of similar building design, height and bulk, but with approximately 256 residential units instead of the hotel, office, fitness center, and retail/restaurant uses (the “Tower Project”).

On June 2, 2020, the Board of Supervisors adopted Resolution No. 242-20 which approved an updated CPEA which among other things increased the agreed upon project costs, at no additional costs to the City from \$25,000,000 to \$32,128,429 and incorporated certain design changes requested by the Fire Department. Upon completion of the proposed New Fire Station and the satisfaction of closing conditions, the City will convey the City Property to Developer and Developer will convey the Exchange Parcel to the City, with the New Fire Station, as described in the CPEA.

On November 30, 2021, the Board of Supervisors adopted Resolution No. 543-21 which ratified the Architect Contract, Ground Lease, Construction Contract, Construction Management

Agreement, Completion Guaranty, Reciprocal Easement Agreement, as well as an amendment of the Conditional Exchange Agreement to extend the time periods for the approval of the above documents.

The proposed second amendment would amend Section 9.2(a) of the CPEA to extend the Anticipated Initial Closing Date to December 15, 2026, a three (3) year extension. The reason for the requested extension is the inability to secure favorable construction financing due to market conditions.

Should you have any questions or need additional information, do not hesitate to contact me at Andrico.penick@sfgov.org or at 415.554.9860.

Sincerely



Andrico Q. Penick
Director of Property



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 240064

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING

Original

DATE OF ORIGINAL FILING (for amendment only)

AMENDMENT DESCRIPTION – Explain reason for amendment

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD

Board of Supervisors

NAME OF CITY ELECTIVE OFFICER

Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT

Angela Calvillo

TELEPHONE NUMBER

415-554-5184

FULL DEPARTMENT NAME

Office of the Clerk of the Board

EMAIL

Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT

Andrico Q. Penick

DEPARTMENT CONTACT TELEPHONE NUMBER

415-554-9850

FULL DEPARTMENT NAME

ADM RED

DEPARTMENT CONTACT EMAIL

realstateadmin@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR EQX JACKSON SQ HOLD CO LLC	TELEPHONE NUMBER 415-677-9000
STREET ADDRESS (including City, State and Zip Code) 44 Montgomery St. Suite 1300 San Francisco, CA 94104	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 240064
DESCRIPTION OF AMOUNT OF CONTRACT \$32,128,429		
NATURE OF THE CONTRACT (Please describe) Conditional Property Exchange Agreement involving 530 Sansome Street and 439 Washington Street, San Francisco.		

7. COMMENTS
Subject to further Board of Supervisors and Mayoral ratification following CEQA clearance of the project.

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Ross	Stephen M.	Other Principal Officer
2	Blau	Jeff T.	Other Principal Officer
3	Beal Jr.	Bruce	Other Principal Officer
4	wong	Kenneth	Other Principal Officer
5	O'Toole	Richard	Other Principal Officer
6	Zussman	David K.	Other Principal Officer
7	Cho	Bryan	Other Principal Officer
8	Canori	Gino	Other Principal Officer
9	Vanderboom	Nicholas	Other Principal Officer
10	Shum	Jonathan	Other Principal Officer
11	Kremen	Alexis	Other Principal Officer
12	Dreyer	Michelle A.	Other Principal Officer
13			
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor [] inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. [] from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. []
- ☐ 9. Reactivate File No. []
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on []

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Supervisor Peskin

Subject:

[Second Amendment to Property Exchange Agreement - EQX Jackson SQ Holdco LLC - Potential Exchange of 530 Sansome Street for a Portion of 425-439 Washington Street]

Long Title or text listed:

Resolution approving a second amendment to the Conditional Property Exchange Agreement with EQX Jackson SQ Holdco LLC to extend the Anticipated Initial Closing Date to December 15, 2026, a three (3) year extension, for a transfer of City real property at 530 Sansome Street (Assessor's Parcel Block No. 0206, Lot No. 017), under the jurisdiction of the Fire Department, in exchange for a portion of the real property at 425-439 Washington Street (Assessor's Parcel Block No. 0206, Lot Nos. 013 and 014); authorizing the Director of Property and City staff to proceed with the proposed Fire Station development project.

Signature of Sponsoring Supervisor: [//AP//]