STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: November 12, 2026

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:
Authorizing the Executive Director to execute the Second Amendment to Purchase and Sale Agreement and First Amendment to Vent Relocation Agreement with Parcel F Owner LLC, establishing an amount certain for the obligation of the developer of the property known as Parcel F for liquidated damages and a vent relocation payment to the TJPA.

REPORT:

Parcel F PSA and Liquidated Damages Clause. In 2016, F4 Transbay Partners LLC purchased Parcel F, a site zoned for a super-tall building at the southwest corner of the Transit Center, for $160M. The sale price for Parcel F, together with the net tax increment ("NTI"), Mello Roos Special Taxes ("CFD"), Community Benefits District fees ("CBD"), and development impact fees to be generated from the project at occupancy, are all critical components of the funding for the Transbay Program. Accordingly, the TJPA offered Parcel F for sale on the condition that the buyer develop and occupy the project by December 31, 2023, to provide the TJPA with revenue from NTI, CFD, and CBD for funding the Program on the schedule established by the TJPA.

F4 Transbay Partners LLC, recapitalized as Parcel F Owner LLC ("F4"), a subsidiary of the developer Hines. Section 7.9 of the Purchase and Sale Agreement between the TJPA and F4 dated March 3, 2016 ("PSA") required F4 to obtain the initial certificate of occupancy for the Project ("ICO") on or before December 31, 2023, so that the TJPA would receive NTI, CFD, and CBD revenue in time to finance the Program. Section 7.9 further provided that if F4 failed to complete construction by December 31, 2023, F4 shall pay to the TJPA liquidated damages in an amount equal to the estimated NTI, CFD, and CBD assessments that the TJPA would have received had F4 completed construction by that date ("LDs"). The obligation to pay the LDs was included in a recorded Memorandum of Covenants and binds successor owners of Parcel F.

To accompany the sale of Parcel F, the TJPA and F4 entered three easement agreements. The first two agreements protected the Train Box under the northwest portion of Parcel F and the TJPA's Bus Ramp along the west side of Parcel F during and after construction of the F4's project. The third agreement provided for reciprocal easements for the public and invitees to F4's project for a pedestrian bridge spanning Natoma Street connecting the project to Salesforce Park.

In January 2020, the City Planning Commission approved construction of an 800-foot-tall building on Parcel F containing a mix of office space, condominiums, and a hotel ("Project"). In January 2021, the City approved a redesign of the Project with additional floor area and a ground-level plaza and main entrance adjacent to Natoma Street. The gross floor area of the revised Project is 957,000 square feet.

Developer's First Default and First PSA Amendment. In 2021, F4 and the TJPA acknowledged that F4 would be unable to meet the December 31, 2023 deadline for completion

of the Project. F4 contended that due to the Covid 19 epidemic, it had been unable to finance the Project. Nevertheless, F4 could have entitled and financed the Project and started construction in the four years prior to the Covid 19 epidemic and met the deadline. Based on F4's revised financing and construction schedule, in which it anticipated obtaining an ICO in 2027, the TJPA calculated that F4 would owe the TJPA approximately $30M in LDs if F4 obtained an ICO by the end of 2027. F4 contended that the uncertainty of the timing of its ICO, and hence the amount of LDs, would deter a lender or equity partner from financing the Project. Based on that contention, F4 requested that the TJPA agree to cap F4's liability for LDs at a fixed amount that would be acceptable to lenders or equity partners.

To support F4's ability to proceed with the Project, the TJPA agreed to a First Amendment to the PSA, dated April 14, 2022 ("First Amendment"). In the First Amendment, F4 and the TJPA agreed to fix the amount of LDs at $40M, to be paid in four installments beginning in April 2024. The parties further agreed to record a second deed of trust against Parcel F to secure payment of the $40M LDs. (F4's lenders hold first deeds of trust secured by Parcel F for $80M.) The First Amendment provided that the TJPA would discharge F4 from its remaining LD obligation if F4 paid the $40M compromise payment in full or secured payment with a letter of credit. If F4 defaulted on any installment of the $40M compromise payment, the original LD provision in Section 7.9 of the PSA would be revived.

Vent Relocation Agreement. In April 2022, the TJPA and F4 also entered a Vent Relocation Agreement ("VRA") in which the TJPA agreed to permit F4 to relocate the vent structures for the Transbay Program, currently located on Parcel F, to a location on the TJPA property further west. The relocation of the vent structures allowed F4 to use the space adjacent to Natoma Street for a plaza and main entrance to the Project, add floor-area to the Project, and improve the functionality of the Project's loading dock. As a condition of relocating the vents, F4 agreed to pay the cost to relocate the vents, plus a Vent Relocation Fee of $22M ("VRF") to the TJPA for the enhancement of the Project's value due to removal of the vents from Parcel F. The obligation to pay the VRF also binds successor owners of Parcel F. In connection with the VRA, the parties entered amended and restated easement agreements to accommodate the vent relocation and redesigned Project.

Developer's Second Default. Although F4 paid the TJPA $2M of the $22M VRF in 2022, F4 failed to relocate the vents, finance or start construction of the Project, or pay the TJPA the remaining $20M VRF. F4 also defaulted on its obligation under the First Amendment, never paying any part of the $40M. Accordingly, the original obligation for LDs in section 7.9 of the PSA has been reinstated.

Negotiations Leading to the Second Amendment. In the Fall of 2025, F4 claimed that due to current economic conditions, it could not finance the Project with institutional financing or equity partners, and its lenders and/or partners were threatening to require F4 to give them a deed in lieu of foreclosure. F4 further claimed that Parcel F had no market value. F4 informed the TJPA that unless the TJPA released F4 from 100% of its obligation for the LDs and VRF, it would not be able to finance construction of the Project and was at risk of declaring bankruptcy, triggering a multi-year legal process and sale of the property.

According to F4, the earliest it can obtain an ICO for the Project is December 31, 2031. The TJPA's consultants, Sperry Capital and Libby Seifel Consulting, determined that if F4 occupies the Project no earlier than December 31, 2031, the LDs will be approximately $88M. The LDs would be greater if the Project were delayed beyond 2031.

The TJPA staff asserted that Parcel F had enough market value to repay the $80M private debt on the property as well as 100% of the TJPA's $40M deed of trust. The TJPA staff pointed out that the TJPA could foreclose on its deed of trust at any time and obtain $40M from the trustee's sale of Parcel F. If F4 wanted to keep the property, it would have to pay the TJPA $40M and would still owe the TJPA $20M for the unpaid VRF. Similarly, if F4 declared bankruptcy, the TJPA, as a secured creditor, would be entitled to $40M from the bankrupt's estate. Staff also concluded that any delay in the Project from a bankruptcy action would not likely have an adverse effect on the financing of The Portal.

After extended negotiations between the TJPA staff and F4, and based on the Board's guidance, the TJPA proposed to F4 a compromise of the LDs and VRF whereby F4 would make an initial payment to the TJPA of $10M within 18 months after execution of the codifying documents, or $7M if the payment were made within one year after execution ("First Payment"). If F4 timely paid the initial amount, F4 would make a second payment to the TJPA of $45M by the end of 2032, or $39M if paid by the end of 2031 ("Second Payment"). The Second Payment would be secured by a letter of credit.

Proposed Second Amendment. The TJPA staff and F4 have reached agreement on a compromise of F4's obligation for LDs and VRF. The agreement memorialized in the recommended Second Amendment to Purchase and Sale Agreement and First Amendment to Vent Relocation Agreement ("Second Amendment") (attached hereto) would (a) maximize revenue from the Project, (b) provide for the TJPA's receipt of funds from F4 in time to be used to finance The Portal, (c) start the flow of NTI, CFD, and CBD revenue from the Project at the earliest practical date to fund The Portal and/or the TJPA operations, and (d) provide F4 with certainty as to its obligation to pay LDs and VRF to facilitate F4's financing and construction of the Project. The Second Amendment obtains from F4 an amount of LDs and VRF that would be economically feasible for the Project without delaying the Project. If F4 were to declare bankruptcy or abandon the Project, a new developer would have to be found to design and finance a project, delaying construction of a project and delaying the flow of NTI, CFD, and CBD to the TJPA.

The key terms of the Second Amendment are:

1. F4 shall make a First Payment to the TJPA of $10M within 18 months after execution of the Second Amendment, or $7M if the payment is made within one year after execution.

2. If F4 timely deposits the First Payment in an escrow account:

    (a) the TJPA will deposit in the escrow:

        (i) a reconveyance of its existing $40M deed of trust, and

(ii) a termination of the covenant recorded at the time of F4's purchase of Parcel F requiring F4 to pay LDs if it fails to construct the Project by the end of 2023.

(b) in addition to the First Payment, F4 will deposit in the escrow:

(i) a new deed of trust in favor of the TJPA for $45M ("New DOT") to secure the Second Payment,

(ii) agreements subordinating any liens on Parcel F to the New DOT so that the TJPA will be in first position if F4 defaults on the Second Payment,

(iii) a premium for title insurance for the New DOT listing the TJPA as the insured, and

(iv) closing costs and transfer taxes, if any.

F4's obligations under 2(b) above are collectively defined as F4's "Closing Obligations."

3. If F4 timely satisfies its Closing Obligations, F4's obligation to pay LDs and the VRF will be discharged. If F4 fails to timely satisfy its Closing Obligations, F4's obligation for the full LDs under the original PSA and the VRF will remain in effect.

4. If F4 timely satisfies its Closing Obligations, F4 shall make a Second Payment to the TJPA of $45M by December 31, 2033, or $39M if paid by December 31, 2032. If F4 timely makes the Second Payment, the TJPA will reconvey the New DOT. If F4 fails to timely make the Second Payment, the TJPA can exercise its rights under the New DOT to conduct a trustee's sale of Parcel F to satisfy the Second Payment.

5. At the time F4 obtains a building permit for the Project, F4 shall pay the TJPA $10M to be credited against the Second Payment.

6. As an additional incentive for F4 to timely make the Second Payment, F4 shall not occupy the Project until F4 makes the Second Payment.

7. Upon execution of the Second Amendment, F4 waives any right to challenge the validity of the LD requirement in the PSA or the VRF.

Accordingly, the proposed Second Amendment modifies the TJPA's earlier negotiating position in two respects: (1) the security for the Second Payment in the Second Amendment is a deed of trust, together with F4's forfeit of its right to occupy the building until the Second Payment is made, rather than a letter of credit, and (2) the deadline for the Second Payment is the end of 2033 instead of the end of 2032. The New DOT and occupancy precondition will be effective security for the Second Payment and will eliminate the cost to F4 of a letter or credit. The TJPA's Chief Financial Officer has confirmed that if F4 makes the Second Payment by December 31, 2033, the TJPA will still be able to leverage the funds to help finance The Portal. Thus, the TJPA Executive Director, Chief Financial Officer, and legal counsel recommend these terms.

F4 has executed the Second Amendment. If the Board approves the recommended action today, the Executive Director would counter-sign the Second Amendment.

RECOMMENDATION:
Authorize the Executive Director to execute the Second Amendment with F4, establishing an amount certain for the obligation of the developer of Parcel F for liquidated damages and a vent relocation payment to the TJPA.

ENCLOSURES:
1. Resolution
2. Second Amendment to Parcel F Purchase and Sale Agreement and First Amendment to Vent Relocation Agreement

TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

Resolution No. _____

WHEREAS, The TJPA is responsible for implementing the Transbay Transit Center Program ("Program"); and

WHEREAS, In the Agreement of Purchase and Sale for Real Estate by and between the Transbay Joint Powers Authority, a California joint powers agency, as Seller, and F4 Transbay Partners LLC, a Delaware limited liability company, as Buyer, dated March 3, 2016 ("PSA"), the TJPA sold to F4 Transbay Partners LLC, the TJPA's property on the north side of Howard Street between First and Second Streets known as portions of former State Parcel F, APN(s) Block 3721, Lots 016, 135, 136, 138 (collectively, "Parcel F") for $160M for F4 Transbay Partners LLC's construction of a tower for residential and/or commercial (hotel or office) uses, together with related structures and improvements on the property ("Project"); and

WHEREAS, The sale price for Parcel F, together with the net tax increment ("NTI"), Mello Roos Special Taxes ("CFD"), Community Benefits District fees ("CBD"), and development impact fees to be generated from the Project at occupancy are all critical components of the funding for the Transbay Program; and

WHEREAS, F4 Transbay Partners LLC recapitalized as Parcel F Owner LLC ("F4"), a subsidiary of the developer Hines; and

WHEREAS, Section 7.9 of the PSA required F4 to obtain the initial certificate of occupancy for the Project ("ICO") on or before December 31, 2023, so that the TJPA would receive NTI, CFD, and CBD revenue in time to finance the Program, and further provided that if F4 failed to complete construction of the Project by December 31, 2023, F4 shall pay to the TJPA liquidated damages in an amount equal to the estimated NTI, CFD, and CBD assessments that the TJPA would have received had F4 completed construction by that date ("LDs"); and

WHEREAS, To accompany the sale of Parcel F, the TJPA and F4 entered easement agreements to protect the Train Box under the northwest portion of Parcel F and the TJPA's Bus Ramp along the west side of Parcel F during and after construction of F4's Project and reciprocal easements for the public and invitees to the Project for a pedestrian bridge spanning Natoma Street connecting the Project to Salesforce Park; and

WHEREAS, In January 2020, the City Planning Commission approved construction of the Project as an 800-foot-tall building on Parcel F containing a mix of office space, condominiums, and a hotel, and in January 2021, the City approved a redesign of the Project with additional floor area and a ground-level plaza and main entrance adjacent to Natoma Street; and

WHEREAS, In the four years after F4 purchased Parcel F and the start of the Covid 19 epidemic, F4 failed to finance and start construction of the Project; and

WHEREAS, In 2021, F4 and the TJPA acknowledged that F4 would be unable to meet the December 31, 2023 deadline for occupying the Project; and

WHEREAS, F4 contended that due to the Covid 19 epidemic, it had been unable to finance the Project, and that based on F4's revised financing and construction schedule, in which it anticipated obtaining an ICO in 2027, the TJPA calculated that F4 would owe the TJPA approximately $30M in LDs if F4 obtained an ICO by the end of 2027; and

WHEREAS, F4 contended that the uncertainty of the timing of its ICO, and hence the amount of LDs, would deter a lender or equity partner from financing the Project and, based on that contention, F4 requested that the TJPA agree to cap F4's liability for LDs at a fixed amount that would be acceptable to lenders or equity partners; and

WHEREAS, To support F4's ability to proceed with the Project, the TJPA agreed to a First Amendment to the PSA, dated April 14, 2022 ("First Amendment"), (a) fixing the amount of LDs at $40M, to be paid in four installments beginning in April 2024, (b) requiring F4 to record a deed of trust against Parcel F to secure payment of the $40M LDs, (c) providing that the TJPA would discharge F4 from its remaining LD obligation if F4 paid the $40M compromise payment in full or secured payment with a letter of credit, and (d) providing that if F4 defaulted on any installment of the $40M compromise payment, the original LD provision in Section 7.9 of the PSA would be revived; and

WHEREAS, In April 2022, the TJPA and F4 also entered a Vent Relocation Agreement ("VRA") in which the TJPA agreed to permit F4 to relocate the vent structures for the Transbay Program, currently located on Parcel F, to a location on TJPA property further west, thereby allowing F4 to use the space adjacent to Natoma Street for a plaza and main entrance to the Project, add floor-area to the Project, and improve the functionality of the Project's loading dock; and

WHEREAS, As a condition of relocating the vents, F4 agreed to pay the cost to relocate the Existing Vents, plus a Vent Relocation Fee of $22M ("VRF") to the TJPA for the enhancement of the Project's value due to removal of the Existing Vents from Parcel F, and the parties entered amended and restated Easement Agreements to accommodate the vent relocation and redesigned Project; and

WHEREAS, F4 paid the TJPA $2M of the $22M VRF in 2022, but then failed to relocate the vents, finance or start construction of the Project, or pay the TJPA the remaining $20M VRF, and also defaulted on its obligation under the First Amendment, never paying any part of the $40M; and

WHEREAS, As a consequence of F4's default under the First Amendment, the original obligation for LDs in section 7.9 of the PSA has been reinstated; and

WHEREAS, In the Fall of 2025, F4 (a) claimed that due to current economic conditions, it could not finance the Project with institutional financing or equity partners, its lenders and/or partners were threatening to require F4 to give them a deed in lieu of foreclosure, and Parcel F had no market value; (b) informed the TJPA that unless the TJPA released F4 from any and all obligation for the LDs and VRF, it would not be able to finance construction of the Project; (c) threatened that if the TJPA declined to forgive 100% of the LDs and VRF, it would declare bankruptcy, which would require several years to resolve, that the TJPA would incur substantial attorneys' fees in the bankruptcy action, and that the action would delay construction of the Project

and hence the NTI, CFD, and CBD revenue to the TJPA; and (d) threatened that if the TJPA did not waive the LDs and VRF, it would challenge the validity of the LD provision of the PSA; and

WHEREAS, According to F4, the earliest it can obtain an ICO for the Project is December 31, 2031; and

WHEREAS, The TJPA's consultants, Sperry Capital and Libby Seifel Consulting, determined that if F4 occupies the Project no earlier than December 31, 2031, the LDs will be approximately $88M; and

WHEREAS, After extended negotiations between the TJPA staff and F4, and based on the Board's guidance, the TJPA proposed to F4 a compromise of the LDs and VRF whereby F4 would make an initial payment $10M to the TJPA within 18 months after execution of the codifying documents, or $7M if the payment were made within one year after execution ("First Payment"), and if F4 timely paid the First Payment, F4 would make a second payment to the TJPA of $45M by the end of 2032, or $39M if paid by the end of 2031 ("Second Payment"), the Second Payment being secured by a letter of credit; and

WHEREAS, The TJPA staff and F4 have reached agreement on a compromise of F4's obligation for LDs and VRF memorialized in the Second Amendment to Parcel F Purchase and Sale Agreement and First Amendment to Vent Relocation Agreement ("Second Amendment"); and

WHEREAS, The Second Amendment would (a) maximize revenue from the Project, (b) provide for the TJPA's receipt of funds from F4 in time to be used to finance The Portal, (c) start the flow of NTI, CFD, and CBD revenue from the Project at the earliest feasible date to fund the Portal and/or TJPA operations, and (d) provide F4 with certainty as to its obligation to pay LDs and VRF to facilitate F4's financing and construction of the Project; and

WHEREAS, The Second Amendment obtains from F4 an amount of LDs and VRF that would be economically feasible for the Project without delaying the Project, whereas if F4 were to declare bankruptcy or abandon the Project, a new developer would have to be found to design and finance a project, delaying construction of the Project and delaying the flow of NTI, CFD, and CBD to the TJPA; and

WHEREAS, The key terms of the Second Amendment are:

1. F4 shall make a First Payment to the TJPA of $10M within 18 months after execution of the Second Amendment, or $7M if the payment is made within one year after execution of the Second Amendment.

2. If F4 timely deposits the First Payment in an escrow account:

(a) the TJPA will deposit in the escrow:

(i) a reconveyance of its existing $40M deed of trust, and

(ii) a termination of the covenant recorded at the time of F4's purchase of Parcel F requiring F4 to pay LDs if it fails to construct the Project by the end of 2023.

(b) In addition to the First Payment, F4 will deposit in the escrow:

(i) a new deed of trust in favor of the TJPA for $45M ("New DOT") to secure the Second Payment,

(ii) agreements subordinating any liens on Parcel F to the New DOT so that the TJPA will be in first position if F4 defaults on the Second Payment,

(iii) a premium for title insurance for the New DOT listing the TJPA as the insured, and

(iv) closing costs and transfer taxes, if any.

F4's obligations under 2(b) above are collectively defined as F4's "Closing Obligations."

3. If F4 timely satisfies its Closing Obligations, F4's obligation to pay LDs and the VRF will be discharged. If F4 fails to timely satisfy its Closing Obligations, F4's obligation for the full LDs under the original PSA and the VRF will remain in effect.

4. If F4 timely satisfies its Closing Obligations, F4 shall make a Second Payment to the TJPA of $45M by December 31, 2033, or $39M if paid by December 31, 2032. If F4 timely makes the Second Payment, the TJPA will reconvey the New DOT. If F4 fails to timely make the Second Payment, the TJPA can exercise its rights under the New DOT to conduct a trustee's sale of Parcel F to satisfy the Second Payment.

5. At the time F4 obtains a building permit for the Project, F4 shall pay the TJPA $10M to be credited against the Second Payment.

6. As an additional incentive for F4 to timely make the Second Payment, F4 shall not occupy the Project until F4 makes the Second Payment.

7. Upon execution of the Second Amendment, F4 waives any right to challenge the validity of the LD requirement in the PSA or the VRF.

WHEREAS, The proposed Second Amendment modifies the TJPA's negotiating position in two respects: (1) the security for the Second Payment in the Second Amendment is a deed of trust, together with F4's forfeit of its right to occupy the building until the Second Payment is made, rather than a letter of credit, and (2) the deadline for the Second Payment is the end of 2033 instead of the end of 2032; and

WHEREAS, The New DOT and occupancy precondition will be effective security for the Second Payment and will eliminate the cost to F4 of a letter or credit; and

WHEREAS, The TJPA's Chief Financial Officer has confirmed that if F4 makes the Second Payment by December 31, 2033, the TJPA will still be able to leverage the funds to help finance The Portal and, thus. The TJPA Executive Director, Chief Financial Officer, and legal counsel recommend these terms; and

WHEREAS, On April 20, 2004, the Commission of the Former Redevelopment Agency adopted Resolution No. 45-2004, certifying the Final Environmental Impact Statement/Environmental Impact Report (the "Final EIS/EIR for Transbay Project") for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project under the California Environmental Quality Act ("CEQA"), and the Board of Supervisors affirmed, by Motion No. 04-67, the certification of the Final FEIS/EIR for the Transbay Project; and

WHEREAS, The TJPA Board of Directors adopted Resolution No. 04-004, making certain findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the Transbay Project under CEQA, and the TJPA has subsequently adopted several addenda to the Final EIS/EIR for the Transbay Project, determining in each case that modifications to the Transbay Project would not require subsequent environmental review and would not require major revisions to the Final EIS/EIR; and

WHEREAS, The environmental impacts of changes to the Transbay Program, including the existing vents, were evaluated in the Supplemental Environmental Impact Statement/Environmental Impact Report for the Transbay Transit Center Program (SEIS/EIR) (State Clearinghouse No. 1995063004) consisting of the Draft EIS/EIR dated December 28, 2015 and the Final SEIS/EIR dated November 2018 ("2018 SEIS/EIR"), which was certified by the TJPA Board of Directors on November 20, 2018; and

WHEREAS, On August 27, 2019, the San Francisco Planning Department's issued a Certificate of Determination Community Plan Evaluation finding that (1) replacement of the existing vents with the new vent would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Transit Center District Plan Programmatic Environmental Impact Report ("TCDP PEIR"); (2) replacement of the existing vents with the new vent would not result in potentially significant off-site or cumulative impacts that were not identified in the TCDP PEIR; (3) replacement of the existing vents with the new vent would not result in significant effects, which, as a result of substantial new information that was not known at the time the TCDP PEIR was certified, would be more severe than were already analyzed and disclosed in the TCDP PEIR; (4) the project sponsor will undertake feasible mitigation measures specified in the TCDP PEIR to mitigate project-related significant impacts; and (5) no further environmental review shall be required for the replacement of the existing vents with the new vent pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183; and

WHEREAS, Because the existing vents are less than 10,000 square feet in area and will be replaced with a new vent of approximately the same area and function as the existing vents and the existing vents will be demolished, in Resolution No. 22-014 adopted on April 14, 2022, the Board found that the vent relocation is also exempt from CEQA under CEQA Guidelines section 15303; and

WHEREAS, The TJPA Board approved refinements to certain components of the Transbay Program unrelated to Parcel F following adoption of an Addendum to the 2018 SEIS/EIR on January 12, 2023 ("2023 Addendum"). FTA completed a NEPA Re-Evaluation for the design refinements and issued an Environmental Determination for Design Refinements on June 9, 2023, which indicated that no preparation of an SEIS or EA would be necessary because the refinements were not substantial and would not cause significant environmental impacts that were not previously evaluated; and

WHEREAS, On March 12, 2026, the TJPA Board adopted a Second Addendum to the 2018 SEIS/EIR and certain revisions to Transbay Program unrelated to Parcel F; and

WHEREAS, The Second Amendment would not alter any aspect of F4's Project or the Transbay Program that would result in a effect on the physical environment; now, therefore, be it

RESOLVED that the TJPA Board authorizes the Executive Director to execute the Second Amendment to Parcel F Purchase and Sale Agreement and First Amendment to Vent Relocation Agreement, establishing an amount certain for the obligation of the developer of Parcel F for liquidated damages and a vent relocation payment to TJPA, in the form presented herewith, and take any reasonable steps necessary to implement and comply with those agreements.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of November 12, 2026.

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Secretary, Transbay Joint Powers Authority

SECOND AMENDMENT TO PARCEL F PURCHASE AND SALE AGREEMENT AND FIRST AMENDMENT TO VENT RELOCATION AGREEMENT

This SECOND AMENDMENT TO PARCEL F PURCHASE AND SALE AGREEMENT AND FIRST AMENDMENT TO VENT RELOCATION AGREEMENT ("**Second Amendment**") dated for reference purposes only as of November __, 2026, is by and between the TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created under California Government Code Sections 6500 et seq. ("**TJPA**"), and PARCEL F OWNER LLC, a Delaware limited liability company ("**F4**") (the TJPA and F4 are each a "**Party**" and collectively referred to as "**Parties**").

RECITALS

THIS AMENDMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. The TJPA is responsible for implementing the Transbay Transit Center Program ("**Program**"), which includes, among other things, (i) on the site of the former Transbay Terminal, the construction of a new Transit Center building ("**Transit Center**"), including a park on the roof of the Transit Center ("**Rooftop Park**"), (ii) a rail tunnel and rail systems to extend Caltrain service from Fourth and King Streets to the Transit Center and to accommodate California High Speed Rail trains in the future ("**Portal"**), including a train box and related facilities ("**Train Box**") and three proposed vent structures ("**Vents**"), (iii) a new underground Fourth and Townsend Street Caltrain Station, (iv) modifications to the existing surface station at Fourth and King Streets, (v) a temporary bus terminal, (vi) a bus ramp connecting the Bay Bridge to the Transit Center ("**Bus Ramp**"), and (vii) permanent bus storage facilities. The Transit Center is situated on real property owned by the TJPA and generally located at 425 Mission Street ("**Transit Center Property**").

B. Pursuant to the Agreement for the Purchase and Sale for Real Estate by and between the TJPA and F4 TRANSBAY PARTNERS LLC, a Delaware limited liability company, dated March 3, 2016 ("**PSA**"), F4 Transbay Partners LLC purchased from the TJPA that certain real property comprising former State Parcel F (APN 3721-015A), 75 Natoma (APN 3721-031), 546 Howard (APN 3721-016), 564 Howard (APN 3721-019), 568 Howard (APN 3721-020), and 77-79 Natoma (APN 3721-029) (collectively, "**Parcel F**"). F4 is the successor in interest to F4 Transbay Partners LLC. F4 has assumed all rights and obligations of F4 Transbay Partners LLC under the PSA.

C. Exhibit B of the PSA was the Easements for Transbay Subsurface Facilities and Transbay Venting Facilities ("**Train Box Easement**") which, among other things, reserved from the conveyance of title to Parcel F an easement in favor of the TJPA permitting the TJPA to use and protect (i) the Train Box under Parcel F, and (ii) the three Vents below and above the surface of Parcel F. The westernmost of the three Vents currently exists ("**Existing Vent**"); the other two Vents ("**Planned Vents**") have not been constructed. The Train Box Easement limits the load F4 may place on the Train Box during and after construction of improvements on Parcel F and limits the use of, and the loads placed on, the surface of the Parcel F above the Train Box ("**Train Box Easement Area**") to protect the Train Box structures and operation of the Vents.

D. F4 proposes to construct a tower on Parcel F, together with related structures and improvements on the Parcel F (collectively, "**Parcel F Tower**" or "**Project**"). Because the sale price for Parcel F and the property taxes, Mello Roos Special Taxes ("**CFD**"), and Community Benefits District fees ("**CBD**") to be generated by the development of the Parcel F Tower are a component of the funding for the Portal, the TJPA offered Parcel F for sale on the condition that the purchaser develop and occupy the Parcel F Tower by December 31, 2023, subject to certain permitted exceptions ("**Completion of Construction Date")**, to provide the TJPA with revenue required to commence construction of the Portal on the schedule established in the TJPA's financial plan. Section 7.9 of the PSA ("**PSA Section 7.9**") required that if F4 failed to obtain the first temporary or final certificate of occupancy for the Parcel F Tower ("**Complete Construction**") on or before the Completion of Construction Date, then F4 was to pay to the TJPA liquidated damages in an amount equal to the estimated property taxes, the CFD special taxes, and the estimated CBD assessments that would otherwise be due had F4 Completed Construction by the Completion of Construction Date, less any property tax, CFD special tax, or CBD assessment payments actually made by F4 with respect to the Parcel F Tower ("**Existing LD Obligation**").

E. In January 2020, the San Francisco Planning Commission approved entitlements for construction of an 800-foot-tall building on Parcel F containing a mix of office space, condominiums, and a hotel. In January 2021, the City approved entitlements for a redesign of the Project with additional floor area and a ground-level plaza and main entrance adjacent to Natoma Street. The Project also received other entitlements, including a March 2021 development agreement entered into with the City by its Board of Supervisors.

F. Subsequently in 2021, F4 asserted that it would not be able to Complete Construction until June 2027, and that the Project would be unfinanceable if it remained subject to the Existing LD Obligation. Accordingly, the TJPA and F4 entered into the First Amendment of Parcel F Purchase and Sale Agreement dated April 14, 2022 ("**First Amendment**"). In the First Amendment, the TJPA agreed to reduce the total liquidated damages F4 would owe to the TJPA to $40 million ("**First Revised LD Obligation**") in lieu of the Existing LD Obligation, subject to the TJPA's receipt of either the payment of the liquidated damages per the First Revised LD Obligation or a letter of credit securing the same; otherwise the Existing LD Obligation would remain.

G. After F4 purchased Parcel F, F4 requested that the TJPA agree to: (i) restate and amend the Train Box Easement ("**Restated and Amended Train Box Easement**") to permit F4 to relocate and combine the Existing Vent and the Planned Vents into a single vent ("**New Vent**") on adjoining TJPA property used for the Bus Ramp, APN Block 3721, Lots 134 and 137 (collectively, "**Bus Ramp Property**") (1) to permit greater functionality of the site of the Parcel F Tower and (2) the addition of floor area to the low-rise building F4 plans to construct over the Train Box and the tower to be constructed on Parcel F; (ii) grant to F4 a temporary construction easement to, among other things, allow F4 to (1) construct the New Vent on the Bus Ramp Property and remove the Existing Vent, (2) construct shoring in the Train Box to support the loads from construction vehicles and equipment placed on or crossing over the TJPA's subsurface to bring materials to the Parcel F Project from Natoma Street, (3) use part of the Bus Ramp Property on Natoma Street for access for F4's construction vehicles, (4) install safety netting extending over the Bus Ramp where the cantilevered portion of the tower abuts the Bus Ramp Property, and (5) construct a Pedestrian Bridge connection to the Rooftop Park and the Pedestrian Bridge in the

airspace over Natoma Street; (iii) restate and amend the Bus Ramp Easement ("**Restated and Amended Bus Ramp Easement**") to permit F4 to, among other things, install amenities in the Bus Ramp Easement Area to enhance the safety of pedestrians along the west side of the tower, and install a decorative barrier enclosing the tower loading area, and allow F4 to use an area of the Bus Ramp Easement adjacent to Howard Street for motorized vehicle access to the loading dock for the Parcel F Tower; and (iv) restate and amend the Pedestrian Bridge Easement ("**Restated and Amended Pedestrian Bridge Easement**") to update the terms of the permanent use easement for the Pedestrian Bridge.

H. Concurrently with the First Amendment, the TJPA and F4 entered the Parcel F Vent Relocation Agreement ("**Vent Relocation Agreement**"), Parcel F Temporary Construction Easements Agreement, Restated and Amended Train Box Easement, Restated and Amended Bus Ramp Easement, and Restated and Amended Pedestrian Bridge Easement Agreement (collectively, "**VRA Agreements**") enabling F4 to increase the floor area and the functionality of the Parcel F Tower by permitting F4 to remove the Existing Vent, construct the New Vent, install shoring in the Train Box to permit F4 to drive concrete trucks and stage materials over the Train Box that exceed the maximum loads on the Train Box permitted by the Train Box Easement, and use portions of the Transit Center and Bus Ramp Property to facilitate construction of the Parcel F Tower. F4 agreed to pay the cost to relocate the vents and to pay the TJPA a Vent Relocation Fee of $22 million ("**VRF**") for the enhancement of the Project's value due to removal of the vents from Parcel F resulting from the TJPA's agreement to relocate the vents and grant easements under the Vent Relocation Agreement.

I. Following the Parties' entry into the First Amendment and the Vent Relocation Agreement, F4 conveyed to the TJPA a deed of trust in Parcel F to secure the payment of the First Revised LD Obligation ("**DOT**") and paid the TJPA $2 million of the $22 million VRF. The DOT was recorded on April 25, 2022 as Document No. 2022042220 in the Records of the City and County of San Francisco. F4 has not paid any part of the $40 million First Revised LD Obligation or secured a letter of credit for that payment. Accordingly, the Existing LD Obligation was reinstated. In addition, $20 million of the VRF remains outstanding.

J. In the Fall of 2024, F4 asserted that due to economic conditions, it could not finance the construction of the Project if, in addition to its existing private debt, it is subject to the Existing LD Obligation and remaining VRF obligation. F4 therefore requested that the TJPA reduce its liability for liquidated damages and the VRF. The TJPA desires that the construction of the Parcel F Tower be completed as quickly as possible so that the project can generate property tax increment, CFD special taxes, and CBD assessments, a substantial portion of which will be allocated to the TJPA for construction of the Portal to extend rail service to the Transit Center, and for operation and maintenance of the Rooftop Park. The TJPA further desires that it be compensated for the loss of such revenues that will result from the delay in the Completion of Construction Date, and that the payment of such compensation be secure. Both F4 and the TJPA desire greater certainty as to the amount and timing of the liquidated damages and VRF that will be due.

K. In light of the foregoing, the TJPA and F4 desire to enter into this Second Amendment, to amend the PSA and the Vent Relocation Agreement.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the TJPA and F4 agree as follows:

1. Agreed Payment Obligation

(a) **First and Second Payments**. In lieu of the Existing LD Obligation for F4's failure to Complete Construction by the Completion of Construction Date under the PSA, the First Revised LD Obligation under the First Amendment, and F4's obligation to pay the remaining VRF of $20,000,000.00 under subsections 1.1(d) and (e) of the Vent Relocation Agreement, F4 agrees to pay the TJPA, subject to the terms of this Second Amendment, the First Payment and the Second Payment described below (collectively, the "**Second Revised LD Obligation**"):

(b) (i) **First Payment.** F4 shall pay the TJPA Ten Million Dollars ($10,000,000.00) ("**First Payment**") on or before eighteen (18) months after the Second Amendment Effective Date ("**First Payment Due Date**"); provided that if F4 pays the TJPA Seven Million Dollars ($7,000,000.00) on or before twelve (12) months after the Second Amendment Effective Date ("**Early First Payment Date**"), the First Payment shall be deemed satisfied. F4 shall notify the TJPA at least forty-five (45) days prior to the First Payment Due Date, that F4 intends to make the First Payment on or before the First Payment Due Date ("**First Payment Notice**"). The Parties shall open an escrow with Chicago Title Insurance Company ("**Escrow**") within thirty (30) days after the First Payment Notice, into which the Parties shall deposit the following documents in recordable form: (A) the TJPA's signed and acknowledged reconveyance of the DOT to the Trustee thereof ("**Reconveyance**") in the form attached as Exhibit A, (B) F4's signed and acknowledged new deed of trust to secure the Second Payment as defined below in Subsection 1(b)(ii) ("**New DOT**") in the form attached as Exhibit B, (C) agreements signed by the holders of all liens, deeds of trust, mortgages, or other indentures encumbering any part of Parcel F, if any exist, and duly acknowledged, subordinating their interests in Parcel F to the New DOT ("**Subordination Agreements**") in the form attached as Exhibit C, and (D) the TJPA's signed and acknowledged partial termination of Section 5 of the Memorandum of Covenants Regarding Parcel F recorded in the Official Records of San Francisco as Document No. 2016-K277784-00 ("**Partial Termination of Memorandum of Covenants**") in the form attached as Exhibit D. F4 shall further deposit in the Escrow: (E) the First Payment, the premium charged by Chicago Title Insurance Company for a policy of title insurance insuring title to Parcel F for the $45,000,000.00 New DOT naming the TJPA as the insured, and all escrow and recording fees and transfer taxes ("**Costs of Closing**"). F4's obligations under Subsections 1(b)(i)(B), (C), and (E) shall be defined as "**F4 Closing Obligations**." The Parties shall deliver to the Escrow the documents and funds required by Subsections 1(b)(i)(A)-(E) no later than the First Payment Due Date. Escrow shall close within five (5) days after all of the required documents and funds have been deposited. The order of recording of the documents listed in Subsections 1(b)(i)(A)-(D) shall be the Reconveyance, the New DOT, the Subordination Agreements (if applicable), and the Partial Termination of Memorandum of Covenants. On close of Escrow, the Escrow Officer shall pay the First Payment to the TJPA and deliver to the TJPA the policy of title insurance. If F4 fails to deliver the First Payment and other deposits required by the F4 Closing Obligations to Escrow by the First Payment Due Date, this Second Amendment shall be immediately terminated. Upon termination, the amendments to PSA Section 7.9 as provided in Subsection 1(c) of this Second Amendment shall not be made, and PSA Section 7.9, Section 5 of the Memorandum of Covenants, the Existing LD Obligation, and F4's obligation to pay the remaining VRF of $20,000,000.00

under subsections 1.1(d) and (e) of the Vent Relocation Agreement shall remain in full force and effect, and such termination shall have no effect on the DOT. As a condition of entering this Second Amendment, F4 waives any right to challenge the validity and enforceability of PSA Section 7.9, Section 5 of the Memorandum of Covenants, F4's obligation to pay the remaining VRF of $20,000,000.00 under subsections 1.1(d) and (e) of the Vent Relocation Agreement, or this Second Amendment, in whole or in part, in a court of law or otherwise.

(ii) **Second Payment.** F4 shall pay the TJPA Forty Five Million Dollars ($45,000,000.00) ("**Second Payment**") on or before December 31, 2033 ("**Second Payment Due Date**"); provided that if F4 pays the TJPA Thirty Nine Million Dollars ($39,000,000.00) on or before December 31, 2032 ("**Early Second Payment Date**"), the Second Payment shall be deemed satisfied. If F4 has paid the First Payment by the First Payment Due Date, has complied with the F4 Closing Obligations, and makes the Second Payment on or before the Second Payment Due Date, the TJPA will execute a reconveyance of the New DOT to F4 ("**New DOT Reconveyance**") in the form attached as Exhibit E and deliver the executed New DOT Reconveyance to F4 for recording within five days after the TJPA's receipt of the Second Payment. If F4 fails to make the Second Payment on or before the Second Payment Due Date, the TJPA will have no obligation to execute and deliver the New DOT Reconveyance to F4 until after the Second Payment has been made, and will have all remedies at law and equity to enforce F4's obligation to make the Second Payment, including, but not limited to, conducting a trustee's sale of Parcel F or foreclosure of Parcel F under the terms of the New DOT, and specific performance of this agreement.

(iii) **Payment Prior to Construction.** No building permit for construction of the Parcel F Tower shall become effective, and F4 shall not undertake any work pursuant to such permit, until F4 has paid the TJPA Ten Million Dollars ($10,000,000.00) ("**Construction Payment**"). The Construction Payment, once paid to the TJPA, shall be credited toward F4's Second Payment obligation. Nothing herein shall limit F4's obligation to pay the Second Payment in full on or before the Second Payment Due Date, regardless of whether it has received a building permit for the Parcel F Tower by that date. If F4 obtains a building permit for the Parcel F Tower after it has made a timely Second Payment, no Construction Payment will be due the TJPA. In addition to the TJPA's remedies for F4's failure to pay the Second Payment in full by the Second Payment Due Date, F4 shall not obtain a certificate of occupancy for, and shall not permit any occupancy of, any part of the Parcel F Tower until after the Second Payment has been made.

(c) **Amendment of PSA**.

(i) The Existing LD Obligation under PSA Section 7.9 shall remain in full force and effect, and binding on F4 and its successors, until the TJPA is in receipt of the full amount of the First Payment on or before the First Payment Due Date, F4 satisfies the F4 Closing Obligations, the Reconveyance, New DOT, Subordination Agreements (if applicable), and Partial Termination of Memorandum of Covenants have been recorded, and the Escrow Officer has delivered the First Payment to the TJPA. Upon F4's payment of the full amount of the First Payment on or before the First Payment Due Date, F4's satisfaction of the F4 Closing Obligations, and the Reconveyance, New DOT, Subordination Agreements (if applicable), and Partial Termination of Memorandum of Covenants have been recorded, (A) F4's obligation to pay liquidated damages shall be fixed in the amount of the Second Revised LD Obligation pursuant to Subsections 1(b)(i)-(iii), and (B) the Existing LD Obligation under PSA Section 7.9, First Revised LD Obligation under the First

Amendment, and obligation to pay the remaining balance of the VRF shall be discharged. So long as F4 timely makes the First Payment and satisfies the F4 Closing Obligations, TJPA shall not seek and shall have no right to enforce or otherwise make a claim for the Existing LD Obligation or the remaining VRF under the Vent Relocation Agreement. From and after the close of Escrow, the TJPA's sole and exclusive remedies against F4, its successors and assigns, and Parcel F for or relating to F4's failure to Complete Construction by the Completion of Construction Date, regardless of when or whether F4 Completes Construction, shall be as set forth in Subsection 1(b).

(ii) Upon F4's payment of the First Payment on or before the First Payment Due Date, F4's satisfaction of the F4 Closing Obligations, and recordation of the Reconveyance, New DOT, Subordination Agreements (if applicable), and Partial Termination of Memorandum of Covenants, PSA Section 7.9 shall be replaced with the following:

7.9 Regulatory Approvals

(a) The term "**Regulatory Approvals**" as used in Section 1.6 of this Agreement shall mean: (i) all discretionary approvals, permits, entitlements, licenses, consents, waivers, exemptions, variances, plan amendments and other governmental authorizations (and related review of the proposed project in compliance with CEQA necessary or required to commence construction of a development project, including demolition, site and building permits; and (ii)(A) all administrative appeal periods and statutes of limitation to challenge the Regulatory Approvals or any CEQA Authorization upon which the Regulatory Approvals have been issued have expired without any administrative appeal or lawsuit challenging the Regulatory Approvals or any such CEQA Authorization having been filed (i.e., the Regulatory Approvals and any CEQA Authorization upon which the Regulatory Approvals have been issued are final, non-appealable and no longer subject to administrative or court challenge by any person or entity), or (B) if any administrative appeal or lawsuit challenging the Regulatory Approvals or any CEQA Authorization upon which the Regulatory Approvals have been issued has been filed, then any and all such appeals or lawsuits are either dismissed or otherwise resolved, in either case, resulting in the Regulatory Approvals and any such CEQA Authorization being final, non-appealable and no longer subject to administrative or court challenge. As used in this Section, "**CEQA Authorization**" shall mean any authorization, finding, approval or other action, including, but not limited to, the preparation and certification of an environmental review document such as Community Plan Exemption, Negative Declaration or Environmental Impact Report necessary or required pursuant to CEQA to commence construction of the Buyer's proposed project at Parcel F.

(ii) Upon the TJPA's receipt of the First Payment on or before the First Payment Due Date, F4's satisfaction of the F4 Closing Obligations, and the recording of the Reconveyance, New DOT, Subordination Agreements (if applicable), and Partial Termination of Memorandum of Covenants, Section 10.1(h)(ii) of the PSA shall be revised as follows:

(ii) After Closing. Buyer's breach of any term, covenant, condition, representation, warranty or provision of this Agreement, if such breach is (A) after

the Closing, (B) of a provision of this Agreement that survives the Closing under Section 12.20, and (C) not cured within thirty (30) days after the TJPA gives written notice to Buyer, provided however, if the breach cannot reasonably be cured within such thirty (30) day period, and Buyer commences to cure the breach within such thirty (30) day period and diligently and in good faith continues to cure the breach and the breach is ultimately cured by Buyer, then Buyer shall have no liability to the TJPA with respect to such breach~~; provided that nothing in this Section 10.1(h)(ii) shall be construed as extending the Completion of Construction Date or the time at which the TJPA is entitled to recover liquidated damages under Section 7.9~~.

2. General Provisions.

(a) Notwithstanding anything to the contrary in the PSA and VRA Agreements, including without limitation any claim of force majeure, or any provision for notice and cure, the time for delivering the First and Second Payments shall not be extended without the written consent of the TJPA, in its sole and absolute discretion.

(b) Except as specifically provided herein, all surviving terms and conditions of the PSA, as amended by the First Amendment and this Second Amendment, and the VRA Agreements shall remain in full force and effect. All initial capitalized terms in this Second Amendment not expressly defined herein shall have the meaning ascribed to them in the PSA and VRA Agreements.

(c) Each Party represents and warrants to the other that the execution and delivery of this Second Amendment by the Party has been duly and validly authorized by all necessary action, and that the persons signing this Second Amendment on behalf of the Party have all requisite power and legal authority to do so.

(d) This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

(e) This Second Amendment shall take effect on the date on which the TJPA approves this Second Amendment by resolution of the TJPA's Board of Directors and the TJPA's Executive Director signs this Second Amendment ("**Second Amendment Effective Date**").

PARCEL F OWNER LLC:

By: _____

Name: _____

Its: _____

Date: _____

TRANSBAY JOINT POWERS AUTHORITY:

By: _____
Adam Van de Water
Executive Director

Date: _____

APPROVED AS TO FORM:



_____
Counsel for TJPA

Transbay Joint Powers Authority
Board of Directors
Resolution No. _____
Adopted: _____
Attest:

_____
Secretary, TJPA Board

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT
LIST OF EXHIBITS

Exhibit A	Form of Reconveyance
Exhibit B	Form of Deed of Trust
Exhibit C	Form of Subordination Agreement
Exhibit D	Form of Partial Termination of Memorandum of Covenants
Exhibit E	Form of Reconveyance of New Deed of Trust

EXHIBIT A

RECONVEYANCE OF DEED OF TRUST

Recording Requested By and
When Recorded Mail To:

Transbay Joint Powers Authority
425 Mission Street, Suite 2100
San Francisco, CA 94105
Attn: Executive Director Adam
Van de Water

APNs Block 3721, Lots 016, 135, 136, 138

SUBSTITUTION OF TRUSTEE AND DEED OF RECONVEYANCE

The Transbay Joint Powers Authority (TJPA), Beneficiary and Holder of a Deed of Trust, dated April 18, 2022, made by Parcel F Owner as Trustor, and First American Title Insurance Company as Trustee, which Deed of Trust was recorded on April 25, 2022 in the office of the County Recorder of the City and County of San Francisco, Instrument No. 2022042220, hereby substitutes the TJPA as Trustee in lieu of the above named Trustee under said Deed of Trust.

The TJPA hereby accepts said appointment as Trustee under said Deed of Trust, and, as successor trustee, pursuant to the request of said Beneficiary and Holder and in accordance with the provisions of said Deed of Trust, does hereby reconvey to Parcel F Owner, but without warranty, all the estate, title, and interest now held by it under said Deed of Trust.

IN WITNESS WHEREOF said Beneficiary and Holder and now Trustee, have caused this instrument to be executed by them, this _____ day of _____, 2027.

OWNER AND TRUSTEE

By: _____
Name:
Title:

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 _____)
County of _____)

On _____ before me, _____, Notary Public (here insert name and title of the officer), 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 B

NEW DEED OF TRUST

RECORDING REQUESTED BY:
Chicago Title Insurance Company, a corporation

AND WHEN RECORDED MAIL DOCUMENT TO:

Transbay Joint Powers Authority
425 Mission Street, Suite 2100
San Francisco, CA 94105
Attn: Executive Director Adam Van de Water

Space Above This Line for Recorder's Use Only

APN(s): Block 3721, Lots 016, 135, 136, 138

Situs Address: 542-550 Howard Street, San Francisco, CA 94105

DEED OF TRUST

(LONG FORM)

THIS DEED OF TRUST, made as of _____ ___, 2027**,** between

TRUSTOR: **PARCEL F OWNER, a Delaware limited liability company**

whose address is **101 California Street, Suite 1000, San Francisco, CA 94111**

TRUSTEE: **Chicago Title Insurance Company, a corporation**

and BENEFICIARY: **TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created under California Government Code Sections 6500 et seq.**

WITNESSETH: That Trustor irrevocably grants to Trustee in trust, with power of sale, that property in the City of San Francisco, County of San Francisco, State of California, described on Exhibit A attached hereto and incorporated herein by this reference, for the purpose of securing the (1) payment of the sum of up to $45,000,000.00 of liquidated damages and vent relocation payment according to the terms of that certain Second Amendment to Parcel F Purchase and Sale Agreement and First Amendment to Vent Relocation Agreement dated November _, 2026, by and between Trustor, and (2) the performance of each agreement of Trustor contained herein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

2) To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all cost, fees and expenses of this Trust.

3) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay their reasonable fees.

4) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary. The amount so collected by Beneficiary may be applied by Beneficiary upon the obligations secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed for endorsement, and without affecting the personal liability of any person for payment of the obligations secured hereby,

Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easements thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any amount secured hereby, Beneficiary may declare such sum secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale. After deducting all costs, fees and expenses of trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment

of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) That Beneficiary, or any successor in ownership of any obligations secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the obligations secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

10) That the liens and security interests of this Deed of Trust are and shall be subordinate and inferior to the Security Documents and Replacement Security Documents, as those terms are defined in PSA Amendment.

11) Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's address as shown above.

Beneficiary requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on page one of this Deed of Trust, as provided by Section 2924(b) of the California Civil Code.

PARCEL F OWNER 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 _____)
County of _____)

On _____ before me, _____, Notary Public (here insert name and title of the officer), 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

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

PARCEL 1

ALL THAT PARCEL OF LAND (STATE PARCEL NO. 502) DESCRIBED IN THE INSTRUMENT RECORDED SEPTEMBER 3, 1937, IN VOLUME 3195, PAGE 96, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHEASTERLY LINE OF NATOMA STREET, DISTANT THEREON 335 NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF NATOMA STREET 88 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 70 FEET 2 INCHES; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25 FEET; THENCE AT A RIGHT ANGLE S0UTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 11 FEET 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 85 FEET TO A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET, DISTANT THEREON 386 FEET 6 INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 61 FEET 6 INCHES; THENCE AT A RIGHT ANGLE NORTHWESTERLY 85 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 2 INCHES; THENCE IN A DIRECT LINE NORTHWESTERLY 88 FEET 6-3/4 INCHES TO THE POINT OF COMMENCEMENT.

BEING PART OF 100 VARA LOT NO. 29 IN BLOCK NO. 347.

APN: LOT 136, BLOCK 3721 PORTION (PORTION OF FORMER LOT 15A)

PARCEL 2

ALL THAT PARCEL OF LAND (STATE PARCEL NO. 372) CONVEYED TO THE STATE OF CALIFORNIA BY INSTRUMENT RECORDED SEPTEMBER 4, 1937, IN VOLUME 3192, PAGE 151, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHEASTERLY LINE OF NATOMA STREET, DISTANT THEREON 423 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF NATOMA STREET 90 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 90 FEET; AND THENCE AT A RIGHT ANGLE NORTHWESTERLY 50 FEET TO THE POINT OF COMMENCEMENT.

BEING PORTION OF 100 VARA BLOCK NO. 347.

APN: LOT 136, BLOCK 3721 REMAINDER (PORTION OF FORMER LOT 15A)

PARCEL 3

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET, DISTANT THEREON 386 FEET AND 6 INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET, RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHWESTERLY 95 FEET, MORE OR LESS, TO A POINT PERPENDICULARLY DISTANT 70 FEET AND 2 INCHES SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF NATOMA STREET, THENCE SOUTHWESTERLY PARALLEL WITH SAID SOUTHEASTERLY LINE

OF NATOMA STREET 25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 11 FEET AND 6 INCHES, THENCE AT A RIGHT ANGLE SOUTHEASTERLY 85 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 347.

APN: LOT 016, BLOCK 3721

PARCEL 4

PARCEL B, AS SET FORTH IN THAT CERTAIN "CERTIFICATE OF COMPLIANCE", RECORDED JUNE 22, 2016, INSTRUMENT NO. 2016-K277777-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING A PORTION OF THAT PARCEL OF LAND DESIGNATED AS "PARCEL 1" AND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY DIRECTOR'S DEED (QUITCLAIM) RECORDED AUGUST 9, 2010 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2010-J017202-00, TOGETHER WITH A PORTION OF THAT PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 11, 2014 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2014-J925707-00, AND A PORTION OF THAT PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY FINAL ORDER OF CONDEMNATION RECORDED JUNE 2, 2015 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2015-K069897-00, ALL BEING SITUATED IN 100 VARA BLOCK NO. 347 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE NORTHWESTERLY LINE OF HOWARD STREET (82.50 FEET WIDE), SAID POINT LYING DISTANT THEREON NORTH 46°18'10" EAST 325.00 FEET FROM THE NORTHEASTERLY LINE OF SECOND STREET (82.50 FEET WIDE) BEING THE MOST EASTERLY CORNER OF SAID "PARCEL 1"; THENCE ALONG SAID NORTHWESTERLY LINE OF HOWARD STREET, SOUTH 46°18'10" WEST 30.68 FEET, THENCE LEAVING SAID NORTHWESTERLY LINE OF HOWARD STREET ALONG A CURVE CONCAVE NORTHEASTERLY AND FROM WHICH THE RADIUS POINT BEARS NORTH 19°36'04" EAST 2273.80 FEET DISTANT; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°14'57" AN ARC LENGTH OF 49.58 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY FROM WHICH THE RADIUS POINT BEARS SOUTH 33°14'18" WEST 92.53 FEET DISTANT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°56'08", AN ARC LENGTH OF 25.73 FEET; THENCE NORTH 72°41'50" WEST 16.91 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY AND FROM WHICH THE RADIUS POINT BEARS NORTH 21°54'54" EAST 2273.80 FEET DISTANT; THENCE WESTERLY ALONG SAID CURVE THOUGH A CENTRAL ANGLE OF 0°27'44" AN ARC DISTANCE OF 18.34 FEET TO THE NORTHWESTERLY LINE OF SAID PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY AS DESCRIBED IN DOCUMENT NO. 2015-K069897-00, OFFICIAL RECORDS; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINE OF SAID PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY AS DESCRIBED IN DOCUMENT NO. 2014-J925707-00, OFFICIAL RECORDS, NORTH 46°18'10" EAST 27.38 FEET, TO THE MOST NORTHERLY CORNER OF LAST SAID PARCEL; THENCE ALONG THE NORTHEASTERLY LINE OF LAST SAID PARCEL, SOUTH 43°41'50" EAST 15.00 FEET, TO THE MOST WESTERLY CORNER OF SAID "PARCEL 1" DESCRIBED IN DOCUMENT

EXHIBIT A
(Continued)

NO. 2010-J017202-00, OFFICIAL RECORDS; THENCE ALONG THE NORTHWESTERLY LINE OF SAID "PARCEL 1", NORTH 46°18'10" EAST 50.00 FEET, TO THE MOST NORTHERLY CORNER OF SAID "PARCEL 1"; THENCE ALONG THE NORTHEASTERLY LINE OF SAID "PARCEL 1" SOUTH 43°41'50" EAST 85.00 FEET, TO THE POINT OF BEGINNING.

BEING A PORTION OF ASSESSOR'S BLOCK 3721.

ALL BEARINGS, STREETS AND STREET LINES HEREINABOVE MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY NO. 6428", FILED MAY 31, 2012 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, UNDER DOCUMENT NO. 2012J423945, IN BOOK EE OF SURVEY MAPS, AT PAGES 19 THROUGH 27, INCLUSIVE.

APN: LOT 135, BLOCK 3721 (PORTIONS OF FORMER APN 3721-019, 3721-020 AND APN 3721-

015A) PARCEL 5

PARCEL B, AS SET FORTH IN THAT CERTAIN "CERTIFICATE OF COMPLIANCE", RECORDED JUNE 22, 2016, INSTRUMENT NO. 2016-K277778-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

ALL OF THAT PARCEL OF LAND DESIGNATED AS "NATOMA ST. LAND" AND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY GRANT DEED RECORDED APRIL 10, 2009 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2009-I745633-00, TOGETHER WITH A PORTION OF THAT PARCEL OF LAND DESIGNATED AS "PARCEL THREE" AND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY GRANT DEED RECORDED DECEMBER 16, 2008 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2008-I694632-00, ALL BEING SITUATED IN 100 VARA BLOCK NO. 347 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE SOUTHEASTERLY LINE OF NATOMA STREET (35.00 FEET WIDE), SAID POINT LYING DISTANT THEREON NORTH 46°18'10" EAST 335.00 FEET FROM THE NORTHEASTERLY LINE OF SECOND STREET (82.50 FEET WIDE) BEING THE MOST NORTHERLY CORNER OF SAID "NATOMA ST. LAND"; THENCE ALONG THE EASTERLY LINE OF SAID "NATOMA ST. LAND" SOUTH 18°17'23" EAST 88.57 FEET TO AN ANGLE POINT; THENCE SOUTH 43°41'50" EAST 0.17 FEET TO THE MOST EASTERLY CORNER OF SAID "NATOMA ST. LAND"; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID "NATOMA ST. LAND" SOUTH 46°18'10" WEST 22.00 FEET TO AN ANGLE POINT; THENCE NORTH 43°41'50" WEST 15.00 FEET TO AN ANGLE POINT; THENCE SOUTH 46°18'10" WEST 27.38 FEET; THENCE ALONG A CURVE CONCAVE NORTHEASTERLY AND FROM WHICH THE RADIUS POINT BEARS NORTH 22°22'37" EAST 2273.80 FEET DISTANT; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°43'23" AN ARC LENGTH OF 28.69 FEET TO A POINT OF COMPOUND CURVATURE; THENCE NORTHWESTERLY ALONG A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 139.80 FEET, THROUGH A CENTRAL ANGLE OF 16°32'44" AN ARC LENGTH OF 40.37 FEET, TO SAID SOUTHEASTERLY LINE OF NATOMA STREET; THENCE ALONG SAID SOUTHEASTERLY LINE OF NATOMA STREET, NORTH 46°18'10" EAST 109.21 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF ASSESSOR'S BLOCK 3721.

EXHIBIT A
(Continued)

ALL BEARINGS, STREETS AND STREET LINES HEREINABOVE MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY NO. 6428", FILED MAY 31, 2012 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, UNDER DOCUMENT NO. 2012J423945, IN BOOK EE OF SURVEY MAPS, AT PAGES 19 THROUGH 27, INCLUSIVE.

APN: LOT 138, BLOCK 3721 (FORMER APN 3721-031 AND PORTION OF FORMER APN 3721-029)

EXHIBIT C

SUBORDINATION AGREEMENT

RECORDING REQUESTED BY:
Chicago Title Insurance Company

When Recorded Mail Document To:

Transbay Joint Powers Authority
425 Mission Street, Suite 2100
San Francisco, CA 94105
Attn: Executive Director Adam Van de Water

APNs Block 3721, Lots 016, 135, 136, 138

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made _____, 2027, by Parcel F Owner, owner of the land hereinafter described and hereinafter referred to as "Owner," and _____, present owner and holder of the deed of trust first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Parcel F Owner, did execute a deed of trust, dated ____, to _____, as trustee, covering

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

to secure a payment obligation in the sum of $_____, dated _____, 2027 in favor of _____, which deed of trust was recorded as instrument no. ____, on ____, in book _____, page _____, Official Records of the City and County of San Francisco; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust in the sum of $45,000,000.00 dated ____, 2027 in favor of the TJPA, payable and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining certain rights described in the deed of trust that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, the TJPA is prepared to grant certain rights to Owner provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

INITIALS: _____

WHEREAS, it is to the mutual benefit of the parties hereto that the TJPA grant certain rights to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce the TJPA to grant certain rights to Owner above referred to, it is hereby declared, understood and agreed as follows:

(1) That said deed of trust securing said note in favor of the TJPA, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust above mentioned.

(2) That the TJPA would not grant the rights above described without this subordination agreement.

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

(a) He consents to and approves (i) all provisions of the deed of trust in favor of the TJPA above referred to, and (ii) all agreements between Owner and the TJPA for the grant of certain rights to Owner;

(b) It intentionally and unconditionally waives, relinquishes, and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of the TJPA above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, the grant of certain rights to Owner are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

(c) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

INITIALS: _____

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

By _____

Its _____

Date _____

INITIALS: _____

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 _____)
County of _____)

On _____ before me, _____,
Notary Public (here insert name and title of the officer), 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

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

PARCEL 1

ALL THAT PARCEL OF LAND (STATE PARCEL NO. 502) DESCRIBED IN THE INSTRUMENT RECORDED SEPTEMBER 3, 1937, IN VOLUME 3195, PAGE 96, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHEASTERLY LINE OF NATOMA STREET, DISTANT THEREON 335 NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF NATOMA STREET 88 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 70 FEET 2 INCHES; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25 FEET; THENCE AT A RIGHT ANGLE S0UTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 11 FEET 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 85 FEET TO A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET, DISTANT THEREON 386 FEET 6 INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 61 FEET 6 INCHES; THENCE AT A RIGHT ANGLE NORTHWESTERLY 85 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 2 INCHES; THENCE IN A DIRECT LINE NORTHWESTERLY 88 FEET 6-3/4 INCHES TO THE POINT OF COMMENCEMENT.

BEING PART OF 100 VARA LOT NO. 29 IN BLOCK NO. 347.

APN: LOT 136, BLOCK 3721 PORTION (PORTION OF FORMER LOT 15A)

PARCEL 2

ALL THAT PARCEL OF LAND (STATE PARCEL NO. 372) CONVEYED TO THE STATE OF CALIFORNIA BY INSTRUMENT RECORDED SEPTEMBER 4, 1937, IN VOLUME 3192, PAGE 151, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHEASTERLY LINE OF NATOMA STREET, DISTANT THEREON 423 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF NATOMA STREET 90 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 90 FEET; AND THENCE AT A RIGHT ANGLE NORTHWESTERLY 50 FEET TO THE POINT OF COMMENCEMENT.

BEING PORTION OF 100 VARA BLOCK NO. 347.

APN: LOT 136, BLOCK 3721 REMAINDER (PORTION OF FORMER LOT 15A)

PARCEL 3

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET, DISTANT THEREON 386 FEET AND 6 INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET, RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHWESTERLY 95 FEET, MORE OR LESS, TO A POINT PERPENDICULARLY DISTANT 70 FEET AND 2 INCHES SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF NATOMA STREET, THENCE SOUTHWESTERLY PARALLEL WITH SAID SOUTHEASTERLY LINE

OF NATOMA STREET 25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 11 FEET AND 6 INCHES, THENCE AT A RIGHT ANGLE SOUTHEASTERLY 85 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 347.

APN: LOT 016, BLOCK 3721

PARCEL 4

PARCEL B, AS SET FORTH IN THAT CERTAIN "CERTIFICATE OF COMPLIANCE", RECORDED JUNE 22, 2016, INSTRUMENT NO. 2016-K277777-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, BEING A PORTION OF THAT PARCEL OF LAND DESIGNATED AS "PARCEL 1" AND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY DIRECTOR'S DEED (QUITCLAIM) RECORDED AUGUST 9, 2010 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2010-J017202-00, TOGETHER WITH A PORTION OF THAT PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 11, 2014 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2014-J925707-00, AND A PORTION OF THAT PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY FINAL ORDER OF CONDEMNATION RECORDED JUNE 2, 2015 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2015-K069897-00, ALL BEING SITUATED IN 100 VARA BLOCK NO. 347 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE NORTHWESTERLY LINE OF HOWARD STREET (82.50 FEET WIDE), SAID POINT LYING DISTANT THEREON NORTH 46°18'10" EAST 325.00 FEET FROM THE NORTHEASTERLY LINE OF SECOND STREET (82.50 FEET WIDE) BEING THE MOST EASTERLY CORNER OF SAID "PARCEL 1"; THENCE ALONG SAID NORTHWESTERLY LINE OF HOWARD STREET, SOUTH 46°18'10" WEST 30.68 FEET, THENCE LEAVING SAID NORTHWESTERLY LINE OF HOWARD STREET ALONG A CURVE CONCAVE NORTHEASTERLY AND FROM WHICH THE RADIUS POINT BEARS NORTH 19°36'04" EAST 2273.80 FEET DISTANT; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°14'57" AN ARC LENGTH OF 49.58 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY FROM WHICH THE RADIUS POINT BEARS SOUTH 33°14'18" WEST 92.53 FEET DISTANT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°56'08", AN ARC LENGTH OF 25.73 FEET; THENCE NORTH 72°41'50" WEST 16.91 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY AND FROM WHICH THE RADIUS POINT BEARS NORTH 21°54'54" EAST 2273.80 FEET DISTANT; THENCE WESTERLY ALONG SAID CURVE THOUGH A CENTRAL ANGLE OF 0°27'44" AN ARC DISTANCE OF 18.34 FEET TO THE NORTHWESTERLY LINE OF SAID PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY AS DESCRIBED IN DOCUMENT NO. 2015-K069897-00, OFFICIAL RECORDS; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINE OF SAID PARCEL OF LAND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY AS DESCRIBED IN DOCUMENT NO. 2014-J925707-00, OFFICIAL RECORDS, NORTH 46°18'10" EAST 27.38 FEET, TO THE MOST NORTHERLY CORNER OF LAST SAID PARCEL; THENCE ALONG THE NORTHEASTERLY LINE OF LAST SAID PARCEL, SOUTH 43°41'50" EAST 15.00 FEET, TO THE MOST WESTERLY CORNER OF SAID "PARCEL 1" DESCRIBED IN DOCUMENT

EXHIBIT A
(Continued)

NO. 2010-J017202-00, OFFICIAL RECORDS; THENCE ALONG THE NORTHWESTERLY LINE OF SAID "PARCEL 1", NORTH 46°18'10" EAST 50.00 FEET, TO THE MOST NORTHERLY CORNER OF SAID "PARCEL 1"; THENCE ALONG THE NORTHEASTERLY LINE OF SAID "PARCEL 1" SOUTH 43°41'50" EAST 85.00 FEET, TO THE POINT OF BEGINNING.

BEING A PORTION OF ASSESSOR'S BLOCK 3721.

ALL BEARINGS, STREETS AND STREET LINES HEREINABOVE MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY NO. 6428", FILED MAY 31, 2012 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, UNDER DOCUMENT NO. 2012J423945, IN BOOK EE OF SURVEY MAPS, AT PAGES 19 THROUGH 27, INCLUSIVE.

APN: LOT 135, BLOCK 3721 (PORTIONS OF FORMER APN 3721-019, 3721-020 AND APN 3721-

015A) PARCEL 5

PARCEL B, AS SET FORTH IN THAT CERTAIN "CERTIFICATE OF COMPLIANCE", RECORDED JUNE 22, 2016, INSTRUMENT NO. 2016-K277778-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

ALL OF THAT PARCEL OF LAND DESIGNATED AS "NATOMA ST. LAND" AND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY GRANT DEED RECORDED APRIL 10, 2009 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2009-I745633-00, TOGETHER WITH A PORTION OF THAT PARCEL OF LAND DESIGNATED AS "PARCEL THREE" AND CONVEYED TO THE TRANSBAY JOINT POWERS AUTHORITY BY GRANT DEED RECORDED DECEMBER 16, 2008 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO UNDER DOCUMENT NO. 2008-I694632-00, ALL BEING SITUATED IN 100 VARA BLOCK NO. 347 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE SOUTHEASTERLY LINE OF NATOMA STREET (35.00 FEET WIDE), SAID POINT LYING DISTANT THEREON NORTH 46°18'10" EAST 335.00 FEET FROM THE NORTHEASTERLY LINE OF SECOND STREET (82.50 FEET WIDE) BEING THE MOST NORTHERLY CORNER OF SAID "NATOMA ST. LAND"; THENCE ALONG THE EASTERLY LINE OF SAID "NATOMA ST. LAND" SOUTH 18°17'23" EAST 88.57 FEET TO AN ANGLE POINT; THENCE SOUTH 43°41'50" EAST 0.17 FEET TO THE MOST EASTERLY CORNER OF SAID "NATOMA ST. LAND"; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID "NATOMA ST. LAND" SOUTH 46°18'10" WEST 22.00 FEET TO AN ANGLE POINT; THENCE NORTH 43°41'50" WEST 15.00 FEET TO AN ANGLE POINT; THENCE SOUTH 46°18'10" WEST 27.38 FEET; THENCE ALONG A CURVE CONCAVE NORTHEASTERLY AND FROM WHICH THE RADIUS POINT BEARS NORTH 22°22'37" EAST 2273.80 FEET DISTANT; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°43'23" AN ARC LENGTH OF 28.69 FEET TO A POINT OF COMPOUND CURVATURE; THENCE NORTHWESTERLY ALONG A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 139.80 FEET, THROUGH A CENTRAL ANGLE OF 16°32'44" AN ARC LENGTH OF 40.37 FEET, TO SAID SOUTHEASTERLY LINE OF NATOMA STREET; THENCE ALONG SAID SOUTHEASTERLY LINE OF NATOMA STREET, NORTH 46°18'10" EAST 109.21 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF ASSESSOR'S BLOCK 3721.

EXHIBIT A
(Continued)

ALL BEARINGS, STREETS AND STREET LINES HEREINABOVE MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY NO. 6428", FILED MAY 31, 2012 IN OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, UNDER DOCUMENT NO. 2012J423945, IN BOOK EE OF SURVEY MAPS, AT PAGES 19 THROUGH 27, INCLUSIVE.

APN: LOT 138, BLOCK 3721 (FORMER APN 3721-031 AND PORTION OF FORMER APN 3721-029)

EXHIBIT D

PARTIAL TERMINATION OF COVENANTS
RECORDING REQUESTED AND WHEN
RECORDED, MAIL TO:

Transbay Joint Powers Authority
425 Mission Street, Suite 250
San Francisco, CA 94105
Attn: Adam Van de Water

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

PARTIAL TERMINATION OF COVENANTS

Assessor's Parcel No. Block 3721, Lots 016, 134, 135, 136, 138

The TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created under California Government Code Sections 6500 et seq., hereby terminates, quitclaims, and releases any right, title, or interest in the Covenant to Complete Construction, which is Section 5 of the Memorandum of Covenants Regarding Parcel F recorded in the Official Records of San Francisco, California on June 22, 2016 as Document No. 2016-K277784-00.

TRANSBAY JOINT POWERS AUTHORITY:

By: _____
Adam Van de Water
Executive Director

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 _____)
County of _____)

On _____ before me, _____,
Notary Public (here insert name and title of the officer), 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 E

RECONVEYANCE OF NEW DEED OF TRUST

Recording Requested By and
When Recorded Mail To:

Transbay Joint Powers Authority
425 Mission Street, Suite 2100
San Francisco, CA 94105
Attn: Executive Director Adam Van de Water

APNs Block 3721, Lots 016, 135, 136, 138

SUBSTITUTION OF TRUSTEE AND DEED OF RECONVEYANCE

The Transbay Joint Powers Authority (TJPA), Beneficiary and Holder of a Deed of Trust, dated _____, 2027, made by Parcel F Owner as Trustor, and First American Title Insurance Company as Trustee, which Deed of Trust was recorded on _____, 2027 in the office of the County Recorder of the City and County of San Francisco, Instrument No. _____, hereby substitutes the TJPA as Trustee in lieu of the above named Trustee under said Deed of Trust.

The TJPA hereby accepts said appointment as Trustee under said Deed of Trust, and, as successor trustee, pursuant to the request of said Beneficiary and Holder and in accordance with the provisions of said Deed of Trust, does hereby reconvey to Parcel F Owner, but without warranty, all the estate, title, and interest now held by it under said Deed of Trust.

IN WITNESS WHEREOF said Owner and now Trustee, have caused this instrument to be executed by them, this _____ day of _____, 20___.

BENEFICIARY AND TRUSTEE

By: _____

Name: _____

Title: _____

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 _____)
County of _____)

On _____ before me, _____,
Notary Public (here insert name and title of the officer), 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)