

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

SAN FRANCISCO SELF STORAGE III LLC, a Delaware limited liability company,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

1828 Egbert Avenue, San Francisco, California

December 3, 2019

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

(1828 Egbert Avenue, San Francisco)

(Block 5434B, Lots 005 and 001C; and Appurtenant Easements)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of December 3, 2019 is by and between San Francisco Self Storage III LLC, a Delaware limited liability company (collectively "Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

IN CONSIDERATION of the respective agreements set forth, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1. Property Included in Sale

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, all of Seller's right title and interest (if any) in and to each of the following:

(a) the real property consisting of approximately two (2.188) acres of land, located in the City and County of San Francisco, commonly known as 1828 Egbert Avenue and more particularly described in Exhibit A attached hereto (the "Land");

(b) all improvements and fixtures located on the Land, including, without limitation, that certain 4-story storage building containing approximately one-hundred twenty six thousand, nine-hundred eighty eight (126,988) square feet of net rentable area and known as 1828 Egbert Avenue, San Francisco, as well as all other buildings and structures located on the Land, all apparatus, fixtures, equipment and appliances used in connection with the operation or occupancy of the Land and its improvements such as heating and air conditioning systems and facilities used to provide any utility, refrigeration, ventilation, garbage disposal or other services, and together with all on-site parking (collectively, the "Improvements");

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, sewers, access, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the "Appurtenances");

All of the items referred to in Subsections (a), (b), and (c), above are collectively referred to as the "Property." Seller makes no representations or warranties concerning the square footage of the Improvements and/or the acreage of the Property.

2. PURCHASE PRICE

2.1. Purchase Price

The total purchase price for the Property is Sixty-Seven Million, Three Hundred Thousand Dollars (\$67,300,000.00) (the "Purchase Price").

2.2. Payment

On the Closing Date (as defined in Section 6.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes], and reduced by any credits due City hereunder.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3(h) and 6.3(i) [Seller's Delivery of Documents], City may be required to withhold, for delivery to the Internal Revenue Service or the State of California on behalf of Seller, a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

2.3. Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid in cash or by wire transfer of immediately available funds to Title Company (as defined in Section 3.2), as escrow agent.

3. TITLE TO THE PROPERTY

3.1. Conveyance of Title to the Property

At the Closing Seller shall convey to City, or its affiliated nominee, marketable and insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit C (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 5.1(a)(iii)). At the Closing Seller shall also assign to City any warranties then in effect with respect to the Improvements and any intangible property related to the Property (excluding the name Self Storage 1 or any similar names, any websites or any similar intellectual property) in the form of Exhibit D (the "Assignment of Warranties").

3.2. Title Insurance

Delivery of title in accordance with the preceding Section shall be evidenced by the commitment of Chicago Title Insurance Company (the "Title Company") to issue to City an 2006 ALTA extended coverage Owner's Policy of title insurance (the "Title Policy") in the amount of the Purchase Price and in the form of the proforma title policy attached hereto as Exhibit B, provided that the Exception 1 for real estate taxes will be revised to reflect the proration of current year taxes between Seller and City as required under Section 7.3 below, and contemplated rent roll in Exception 23 will be attached (the "Proforma Title Policy").

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1. Due Diligence and Time for Satisfaction of Conditions

City has been given or will be given before the end of the Due Diligence Period (as defined below), a full opportunity to investigate the Property, either independently or through Agents of City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as City deems fit, as well as the suitability of the Property for City's intended uses. Notwithstanding the foregoing, or anything to the contrary contained in this Agreement, any invasive testing at the Property (including, without limitation, any borings, drilling, soil borings, and ground water sampling) shall be subject to the Seller's reasonable approval of all parts of City's work plan, insurance/risk management arrangements and the identity of the contractors performing the work. City and its Agents may commence due diligence investigations on the Property on or after the date this Agreement is executed by the Seller. The period for completion of all such investigations shall expire at 5:00 pm pacific time on December 15, 2019 (the "Due Diligence Period"), subject to the terms and conditions provided hereinbelow. Seller has delivered, and City acknowledges receipt, of all of the Documents and other items described in Sections 5.1(a), (b) and (c) that are in Seller's possession or control.

Notwithstanding anything in this Agreement to the contrary, City shall have the right to terminate this Agreement at any time during the Due Diligence Period upon written notice to Seller. Upon such termination, neither City nor Seller shall have any further rights or obligations hereunder, except as otherwise expressly provided herein. This Section is subject to, and shall not serve to modify or limit, any right or remedy of City arising under Section 5.1 [City's Conditions to Closing], of this Agreement.

4.2. Reserved

4.3. Natural Hazards.

Each party acknowledges that Seller is required to disclose if the Property lies within the following natural hazard areas or zones: (a) a special flood hazard area (any type Zone "A" or "V") designated by the Federal Emergency Management Agency (Cal. Gov. Code § 8589.3); (b) an area of potential flooding shown on a dam failure inundation map designated pursuant to Cal. Gov. Code § 8589.5 (Cal. Gov. Code § 8589.4); (c) a very high fire hazard severity zone designated pursuant to Cal. Gov. Code § 51178 or 51179 (in which event the

owner maintenance obligations of Cal. Gov. Code § 51182 would apply) (Cal. Gov. Code § 51183.5); (d) a wildland area that may contain substantial forest fire risks and hazards designated pursuant to Cal. Pub. Resources Code § 4125 (in which event [i] the property owner would be subject to the maintenance requirements of Cal. Pub. Resources Code § 4291 and [ii] it would not be the state's responsibility to provide fire protection services to any building or structure located within the wildland area except, if applicable, pursuant to Cal. Pub. Resources Code § 4129 or pursuant to a cooperative agreement with a local agency for those purposes pursuant to Cal. Pub. Resources Code § 4142) (Pub. Resources Code § 4136); (e) an earthquake fault zone (Pub. Resources Code § 2621.9); or (f) a seismic hazard zone (and, if applicable, whether a landslide zone or liquefaction zone) (Pub. Resources Code § 2694). The parties acknowledge that they shall employ the services of JCP-LGS Disclosure Reports, 200 Commerce Drive, Irvine, CA 92602, (800) 748-5233 (or such other company as designated by Seller) (which, in such capacity is herein called "Natural Hazard Expert") to examine the maps and other information specifically made available to the public by government agencies for the purpose of enabling the party owning the applicable property to fulfill its disclosure obligations with respect to the natural hazards referred to in California Civil Code Section 1103(c) and to report the result of its examination to the parties in writing. As contemplated in California Civil Code Section 1103.2(b), if an earthquake fault zone, seismic hazard zone, very high fire hazard severity zone or wildland fire area map or accompanying information is not of sufficient accuracy or scale for the Natural Hazard Expert to determine if the applicable property is within the respective natural hazard zone, then for purposes of the disclosure the applicable property shall be considered to lie within such natural hazard zone. The written report (the "Natural Hazard Disclosure") prepared by the Natural Hazard Expert regarding the results of its examination fully and completely discharges Seller from its disclosure obligations referred to herein, and, for the purpose of this Agreement, the provisions of Civil Code Section 1102.4 regarding the non-liability of Seller for errors or omissions not within its personal knowledge shall be deemed to apply and the Natural Hazard Expert shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above. Without limitation, in no event shall Seller have any responsibility for matters not actually known to Seller. THESE HAZARDS MAY LIMIT BUYER'S ABILITY TO DEVELOP THE PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT THE PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. BUYER MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

4.4. "AS IS"

BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS EXPERIENCED IN THE OWNERSHIP, DEVELOPMENT, AND OPERATION OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT BUYER IS QUALIFIED TO INSPECT AND EVALUATE THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS FULLY RELYING ON ITS OWN (OR BUYER'S REPRESENTATIVES') INSPECTIONS OF THE PROPERTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NOT UPON ANY STATEMENTS (ORAL OR WRITTEN) THAT MAY HAVE BEEN MADE OR MAY BE

MADE BY SELLER, ANY OF ITS MEMBERS OR AFFILIATES, OR ANY OF ITS OR THEIR RESPECTIVE MEMBERS, MANAGERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, OFFICERS, DIRECTORS, PARTICIPANTS, AGENTS, SUBSIDIARIES, ATTORNEYS, AFFILIATES AND SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE “SELLER PARTIES”) OR ANY DOCUMENTS PROVIDED BY ANY SELLER PARTIES WHETHER IN ANY DUE DILIGENCE DATA ROOM OR OTHERWISE. BUYER ACKNOWLEDGES THAT BUYER HAS (OR BUYER’S REPRESENTATIVES HAVE) THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY BUYER TO ENABLE BUYER TO EVALUATE THE PHYSICAL, LEGAL AND FINANCIAL CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING THE ENVIRONMENTAL CONDITION OF THE PROPERTY, COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ALL LEGAL REQUIREMENTS, INCLUDING ALL ZONING ORDINANCES, BUILDING CODES AND SET-BACK REQUIREMENTS, AND COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ALL RESTRICTIVE COVENANTS, EASEMENTS, AND OTHER PRIVATE AGREEMENTS, AND COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT). AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT AND THE PURCHASE OF THE PROPERTY, BUYER HEREBY AGREES TO ACCEPT THE PROPERTY AT CLOSING IN ITS “AS-IS,” “WHERE-IS” CONDITION, WITH ALL FAULTS, AND, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IN CONNECTION WITH THE SALE OF THE PROPERTY TO BUYER, THE SALE OF THE PROPERTY IS WITHOUT ANY WARRANTY, AND SELLER AND THE SELLER PARTIES HAVE MADE NO, AND EXPRESSLY SPECIFICALLY DISCLAIM ANY AND ALL, AND BUYER ACCEPTS THAT SELLER AND ALL SELLER PARTIES HAVE DISCLAIMED ANY AND ALL, REPRESENTATIONS, GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW OR OTHERWISE, OF OR RELATING TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION: (1) THE USE, INCOME POTENTIAL, EXPENSES, OPERATION, DEVELOPMENT POTENTIAL, CHARACTERISTICS OR CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, INCLUDING WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY, DESIGN OR FITNESS FOR ANY SPECIFIC PURPOSE OR A PARTICULAR PURPOSE, OR GOOD AND WORKMANLIKE CONSTRUCTION; (2) THE NATURE, MANNER, CONSTRUCTION, CONDITION, STATE OF REPAIR OR LACK OF REPAIR OF ANY IMPROVEMENTS LOCATED ON THE PROPERTY, ON THE SURFACE OR SUBSURFACE THEREOF, WHETHER OR NOT OBVIOUS, VISIBLE OR APPARENT; (3) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF THE PROPERTY; (4) THE ENVIRONMENTAL CONDITION OF THE PROPERTY AND THE PRESENCE OR ABSENCE OF OR CONTAMINATION BY HAZARDOUS MATERIALS, OR THE COMPLIANCE OF THE PROPERTY WITH ALL REGULATIONS OR LAWS PERTAINING TO HEALTH OR THE ENVIRONMENT, INCLUDING BUT NOT LIMITED TO, THE COMPREHENSIVE ENVIRONMENTAL

RESPONSE, COMPENSATION AND LIABILITY ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, THE CLEAN WATER ACT, APPLICABLE CALIFORNIA AND CITY OF SAN FRANCISCO STATUTES AND THE RULES AND REGULATIONS PROMULGATED PURSUANT THERETO REGULATING THE STORAGE, USE AND DISPOSAL OF HAZARDOUS MATERIALS, THE CITY OF SAN FRANCISCO DEPARTMENT OF HEALTH GUIDELINES ON ASSESSMENT AND REMEDIATION OF FUNGI IN INDOOR ENVIRONMENTS, AND ALL STATE AND LOCAL ENVIRONMENTAL LAWS AND ANY SIMILAR LAWS, EACH AS MAY BE AMENDED FROM TIME-TO-TIME, AND INCLUDING ANY AND ALL REGULATIONS, RULES OR POLICIES PROMULGATED THEREUNDER (COLLECTIVELY, "ENVIRONMENTAL LAWS"); (5) THE QUALITY OF THE LABOR AND MATERIALS INCLUDED IN THE PROPERTY; (6) THE SOIL CONDITIONS, DRAINAGE, FLOODING CHARACTERISTICS, UTILITIES OR OTHER CONDITIONS EXISTING IN, ON, OR UNDER THE PROPERTY; AND (7) COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ANY LEGAL REQUIREMENTS OR PRIVATE AGREEMENTS, BUSINESS LICENSES OR PERMITS. BUYER HEREBY EXPRESSLY AGREES THAT, EXCEPT FOR BUYER'S RIGHT TO REIMBURSEMENT FOR THIRD PARTY CLAIMS UNDER ANY INDEMNITY EXPRESSLY SET FORTH IN THIS AGREEMENT, NONE OF THE SELLER OR ANY SELLER PARTIES SHALL BE LIABLE TO BUYER FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES RESULTING OR ARISING FROM OR RELATED TO THE PROPERTY OR THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION THEREOF OR AS A RESULT OF OR IN CONNECTION WITH THIS AGREEMENT. THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING, THE TERMINATION OF THIS AGREEMENT PRIOR TO CLOSING, AND THE CONVEYANCE OF THE PROPERTY AS CONTEMPLATED HEREUNDER.

TO THE EXTENT PERMITTED BY LAW, BUYER HEREBY AGREES, REPRESENTS AND WARRANTS THAT BUYER REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO BUYER MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGES, COSTS, LOSSES AND EXPENSES WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND BUYER FURTHER AGREES, REPRESENTS AND WARRANTS THAT THE WAIVERS AND RELEASES CONTAINED HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON BY BUYER IN LIGHT OF THAT REALIZATION AND THAT BUYER NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT SELLER AND ALL SELLER PARTIES FROM ANY SUCH UNKNOWN CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGES, COSTS, LOSSES AND EXPENSES.

5. ENTRY

Subject to the rights of self-storage customers at the Property, during the Due Diligence Period and at all times prior to the Closing Date, Seller shall afford City and its Agents reasonable access to the Property at reasonable times and on reasonable prior notice to Seller for the purposes of satisfying City with respect to the condition of the Property. Seller shall have the right to have a representative present during all such periods of access by City. City hereby

agrees to indemnify, defend and hold Seller harmless from any loss, claim, suit, action, cost (including, without limitation, reasonable attorneys' fees), expense, damage or injury to persons or property caused by the negligence or willful misconduct of City or its Agents during any such entries onto the Property prior to the Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about the Property, including the Improvements. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. The provisions of this Section 5 shall survive the termination of this Agreement.

5.1. City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Property (collectively, "Conditions Precedent"):

(a) City shall have reviewed and approved title to the Property, as follows:

(i) City acknowledges receipt of that certain Preliminary Report—Update H issued by the Title Company dated as of October 21, 2019 and bearing title number 15606573-156-TJK-JM with respect to the Property (collectively, the "Preliminary Report");

(ii) City acknowledges receipt of copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are disclosed by the Preliminary Report; and

(iii) City acknowledges receipt of a survey of the Property prepared by Martin M. Ron Associates dated February 7, 2012 and recertified on October 29, 2019, job number S-9814 (the "Survey"). City may at its option arrange for an update of the Survey or a new "as-built" survey of the Real Property and Improvements prepared by a licensed surveyor (and upon receipt of such update, same shall constitute the Survey for the purposes of this Agreement). City acknowledges and agrees that the Survey is acceptable to City and, to City's knowledge, is acceptable to the Title Company.

Any new exception(s) in an update to the Preliminary Report issued by the Title Company or an update to the Survey issued by the surveyor, received by Buyer after the Effective Date that would require a change to the Proforma Title Policy (each, an "Update Exception"), will be subject to Buyer's review and approval within ten (10) days following notification or delivery of an update or continuation of the Preliminary Report or an update of the Survey to Buyer. Buyer's failure to object to any Update Exception(s) within this ten (10) day period will be deemed approval of such Update Exception(s). Seller shall have thirty (30) days after receipt of the City's notice of any such objections to any Update Exception(s) to give City: (A) evidence satisfactory to City of the removal of all objectionable exceptions from title or that such Update Exception(s) will be removed or cured on or before the Closing (subject to one or more extensions of such thirty (30) day period if reasonably requested by Seller to remove same

and Seller continues to diligently act to cause the removal, but not longer than sixty (60) days in the aggregate of extensions without Buyer's approval, which may be given or withheld in Buyer's sole discretion); or (B) notice that Seller elects not to cause such Update Exception(s) to be removed. If Seller gives notice under clause (B), City shall have ten (10) business days to elect to proceed with the purchase or terminate this Agreement. If Seller gives notice pursuant to clause (A) and fails to remove any such objectionable Update Exception(s) from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default hereunder and City's sole remedy will be: (i) to terminate this Agreement, and (ii) to receive damages in the amount of Fifty Thousand Dollars (\$50,000) (the "Expense Reimbursement") for reimbursement of a portion of Buyer's due diligence costs.

(b) City's review and approval, within the Due Diligence Period, of the physical and environmental conditions of the Property, including, without limitation, structural, mechanical, electrical and other physical conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material (as defined in Section 8.1(k)).

(c) City's review and approval, within the Due Diligence Period, of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(d) City's review and approval, within the Due Diligence Period, of the following documents, all to the extent such documents exist and are either in the possession or control of Seller or any affiliate of Seller: structural calculations for the Improvements; site plans; certified copies of the as-built plans and specifications for the Improvements; seismic and related structural studies; inspection reports by Seller's engineers prepared within the prior three (3) years; service contracts; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; presently effective warranties or guaranties received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction; current year's insurance policies, and claims history for the past three years; ALTA Survey; environmental reports, studies, surveys, tests and assessments; soils, groundwater, and geotechnical reports, and such other contracts or documents of significance to the Property or its valuations are reasonably requested by City in writing during the Due Diligence Period (collectively, the "Documents").

(e) Seller shall not be in default in the performance of any covenant or agreement to be performed by Seller under this Agreement after notice and a reasonable opportunity to cure, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date. At the Closing Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 [Representations and Warranties of Seller] below remain true and correct as of the Closing Date, or providing a statement of the changes or circumstance that cause Seller not to be able to give the certificate (with the edits or changes to the representations and warranties contained in Section 8.1 that Seller must make to be able to give the certificate at Closing). Upon receipt of a change in the certificate, City shall decide whether to proceed to the

Closing and, if City consummates the Closing notwithstanding the disclosure or change, City shall have no claim for item disclosed or changed or the fact the closing certificate varies from the representations and warranties made in this Agreement. Except for items that were objected to by City and that Seller agreed to cure during the Due Diligence Period (unless cured by Seller or expressly waived by City as set forth in this Agreement) or are reserved as express closing conditions in this Agreement, or any Update Exceptions that Seller has agreed to remove or cure pursuant to Section 5.1, notwithstanding anything else to the contrary contained in this Agreement, City shall have no right to elect not to consummate the Closing based on, and shall have no claim against Seller with respect to, any matter that: (i) was disclosed to City or reflected in any Documents received by City prior to the expiration of the Due Diligence Period or (ii) City otherwise had any knowledge of prior to the expiration of the Due Diligence Period. The phrase "City otherwise had any knowledge" or similar language used in this Agreement shall mean the current, actual knowledge of Andrico Penick, Elsa Lamb, Charles Sullivan or Eileen Chauvet, without any duty of investigation or review of files. City represents that these are the persons within City organization that have the most knowledge about the matters contained in this section. Such persons shall have no personal liability for these matters.

(f) The physical condition of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, subject to: (i) any minor damage related to the removal of the storage lockers if such damage could be restored by reasonable painting, plastering, concrete repair for screw holes and similar work, (ii) reasonable wear and tear, and (iii) casualty loss, which will be governed by the provisions of Section 9.1 [Risk of Loss]; and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending which after the Closing would materially adversely affect the value of the Property to City or the ability of the City to use the Property for storage.

(g) Title Company shall be committed at the Closing to issue to (i) City the Title Policy as provided in Section 3.2 [Title Insurance], and (ii) an ALTA extend coverage policy of leasehold title insurance in the amount of the Purchase Price insuring City's leasehold estate under the facilities lease with the Nominee (as defined below) in the total amount of the Certificates of Participation (as defined below), subject only to the Accepted Conditions of Title (excluding the Seller Lease) together with the same endorsements as the Title Policy.

(h) Under City's current plans, City intends to finance the acquisition of the Property with proceeds from the issuance, sale and delivery of certificates of participation ("Certificates of Participation"), a financing mechanism that will require fee simple title to be taken in the name of a nominee of City (the "Nominee") which, as landlord, will lease the Property to City. The Nominee, which will be a bank or other fiduciary, will act as trustee for holders of the Certificates of Participation. Seller hereby consents to the use of a nominee to take title, and further consents to City's assignment to the Nominee of City's rights under this Agreement. City's obligations under this Agreement are contingent upon, and subject to, the successful issuance, sale and delivery before the Closing of Certificates of Participation in an amount needed to finance acquisition of the Property (and not amounts needed for other City acquisitions or purposes). The condition

contained in this Section 5.1(h) is to be satisfied on or prior to January 17, 2020. Such date may be extended by the mutual agreement of the parties in writing, provided that either party may withhold its consent to any such extension in its sole discretion. City will use reasonable efforts to pursue the sale of the Certificates of Participation, the satisfaction of the condition contained in this Section 5.1(h) and all other action that is necessary in connection therewith, provided that the terms and conditions of the issuance of such Certificates of Participation must be acceptable to City, the Board of Supervisors and the Mayor of the City and County of San Francisco, in their sole discretion. City makes no representation, warranty or assurance such Certificates of Participation will be issued, delivered or sold. City agrees to seek authorization from the Board of Supervisors to sell the Certificates of Participation or other debt to pay the Purchase Price by the end of October 2019, and Seller has the right to terminate this Agreement without cost or liability if City fails to obtain such authorization by such date. Seller agrees to execute and deliver to City upon request any and all certificates, agreements, authorizations or other documents as City may reasonably request in connection with the issuance, delivery and sale of the Certificates of Participation, provided that same shall be at no cost to, shall impose no additional liability or obligations on and shall not reduce any rights of, Seller. Subject to the foregoing and the other terms and conditions hereof, City may, at its option, initiate a validation proceeding in superior court with respect to such Certificates of Participation.

(i) The transactions contemplated herein shall have been approved by all applicable City departments and agencies, including, without limitation, the Director of Property, the Real Estate Division of the Office of the City Administrator and the San Francisco Police Department, in their respective sole discretion.

(j) The requirement for City approval of this Agreement was satisfied on August 1, 2019, by Board of Supervisors Resolution No. 363-19, adopted on July 30, 2019 and signed by the Mayor on August 1, 2019.

(k) Seller shall have delivered the items described in Section 6.3 below [Seller's Delivery of Documents] on or before the Closing.

(l) [Intentionally Deleted]

(m) Title Company shall have agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 6.6 below).

The Conditions Precedent contained in the foregoing Subsections (a) through (m) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the Conditions Precedent described in items **h and j** above may not be waived. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller expressly set forth in this Agreement. If City shall not have approved or waived in writing all of the Conditions Precedent in items a through d and l by the end of the Due Diligence Period, then this Agreement shall terminate. In

addition, the Closing Date may be extended, subject to the agreement of both City and Seller, to allow for Conditions Precedents to be satisfied or potentially waived.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled by the Closing Date because Seller frustrated such fulfillment by some affirmative act or willful omission, City may, following written notice and a thirty (30) day cure period, at its sole election and as its sole and exclusive remedy, either (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon City shall be entitled to the Expense Reimbursement for its due diligence costs and upon City's receipt of such amount neither party shall have any further rights or obligations hereunder, or (2) extend the Closing Date for up to sixty (60) days in the aggregate to permit Seller to resolve same.

5.2. Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City (but at no cost to Seller except as needed to cure any Seller default or to remove any title condition caused by Seller that is not shown on the Preliminary Report and same shall impose no additional liability or obligations on and shall not reduce any rights of, Seller) with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

6. ESCROW AND CLOSING

6.1. Opening of Escrow

On or before the Effective Date (as defined in Article 11 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2. Closing Date

The consummation of the purchase and sale contemplated hereby (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company located at 455 Market Street, Suite 2100, San Francisco, California 94015, on **January 15, 2020**, or on such earlier or later date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 5 [Conditions Precedent]. In addition to any extension under Section 5.1, the City and the Seller shall each have a right to extend the Closing Date one or more times up to fourteen (14) days in the

aggregate. The Closing shall occur no later than 10:00 A.M. on the Closing Date. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

6.3. Seller's Delivery of Documents

At or before the Closing, Seller shall deliver to City (or Nominee) through escrow, the following:

- (a) A duly executed and acknowledged Deed in the form attached to this Agreement as Exhibit C, and the duly executed Assignment of Warranties;
- (b) Originals (or copies which are true and accurate to the best of the knowledge of Seller) of the Documents and any other items reasonably requested by the City relating to the ownership or operation of the Property not previously delivered to City;
- (c) A properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit E, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;
- (d) A properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;
- (e) Such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (f) Closing statement in form and content reasonably satisfactory to City and Seller;
- (g) The duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 5.1(e) hereof (the "Closing Certificate");
- (h) The Seller Lease and Joint Escrow Instructions in the forms attached as Exhibits H and I, respectively, as required by Section 6.7 hereof; and

(i) Such other instruments and funds as are reasonably required by Seller or are otherwise required to close the escrow and consummate the purchase of the Property pursuant to this Agreement.

6.4. City's Delivery of Documents and Funds

At or before the Closing, City shall deliver to Seller through escrow the following:

- (a) A preliminary change of ownership report and transfer tax affidavit;
- (b) An acceptance of the Grant Deed executed by City's Director of Property, and the Assignment of Warranties executed by City's Director of Property;
- (c) An executed closing statement in form and content reasonably satisfactory to City and Seller;
- (d) The Purchase Price, as provided in Article 2 hereof;
- (e) The Seller Lease and Joint Escrow Instructions in the forms attached as Exhibits H and I, respectively, as required by Section 6.7 hereof; and
- (f) Such other instruments and funds as are reasonably required by City, the Title Company or otherwise required to close the escrow and consummate the purchase of the Property pursuant to this Agreement.

6.5. Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required by applicable City ordinances to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

6.6. Title Company as Real Estate Reporting Person

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

6.7. Seller Lease and Joint Escrow Instructions

(a) At the Closing, City, as landlord, and Seller, as tenant, shall execute a permit for the entire Property effective upon the consummation of the closing in the form attached as Exhibit H (the “Seller Lease”).

(i) Under the Seller Lease, Seller shall pay all possessory interest real estate taxes and special assessments due for the period of the Seller Lease.

(ii) Seller voluntarily enters into this Agreement and agrees that it will be not deemed to be a displaced person under the California Relocation Act (the “Act”) or any similar federal law. Seller further agrees that the purchase price takes into account any relocation costs and lost goodwill that would be due and owing to Seller based upon the City’s acquisition of the Property. To the best of Seller’s knowledge, Seller’s existing storage customers are not operating any business at the Property. Seller’s existing storage agreements expressly prohibit customers from operating any business at the Property. Seller’s existing storage agreements further provide that they are terminable on not more than 30 days’ notice by either party, with or without cause. Accordingly, the parties jointly agree and each agree at all times to: (a) assert that the storage customers are not entitled to relocation or any other benefits or rights under applicable law, including without limitation the Act; and (b) if they are entitled to any such benefits, then such benefits would be limited to the payment of actual reasonable moving and related expenses only; and (c) if City, as the relevant public entity, is required to make a determination regarding moving or other expenses payable to Seller’s storage customers under the Act, then City will assert and maintain that such moving or other expenses be based on the actual and reasonable expenses of moving each such storage customer (collectively, the “Relocation Act Interpretation”). Seller agrees to give each storage customer not less than 30 days’ notice of termination of their storage agreement. Notwithstanding the foregoing, Seller shall indemnify, defend and hold City harmless from any loss, cost, damage or claims relating to relocation benefits or moving costs made by Seller’s customers or anyone claiming by or through them, including but not limited to any claims made under the Act or any federal relocation law. City agrees to promptly tender to Seller any notice or demand upon receipt, and City will cooperate and participate with Seller as needed with attorneys from the City Attorney’s Office at no cost to Seller, but Seller will defend any action relating to claims covered by this Section 6.7(a)(ii). Notwithstanding anything to the contrary above, so long as Seller accepts tender of the defense of any claim covered by the above indemnity, which tender shall be made in writing and delivered to Seller in accordance with Section 11.1 hereof, and continues to defend and hold City harmless from such claims at Seller’s cost, City will not take a position contrary to the Relocation Act Interpretation. However, if Seller refuses to accept City’s tender made in accordance with the immediately preceding sentence or to continue the defense of such action, and such refusal continues for ten (10) business days after written notice to Seller from City of such failure delivered in accordance with Section 11.1 hereof, then: (1) City shall have the right to defend any action covered by this indemnity, without waiving any rights under this indemnity, and (2) Seller’s indemnity will not be reduced or limited due to the fact that City agreed to the Relocation Act Interpretation as set forth above, or any change in the City’s position relative to the Relocation Act Interpretation as part of a settlement action.

(b) At the Closing, Five Million Dollars (\$5,000,000.00) of the Purchase Price (the “Holdback Funds”) shall be retained by the Title Company and held in escrow pursuant to an escrow agreement or joint escrow instructions in the form attached as Exhibit I (the “Joint Escrow Instructions”) pending Seller’s satisfaction of the Obligations (as defined in the Seller Lease) as required by the Seller Lease. If Seller fails to satisfy the Vacate Obligation (as defined in the Seller Lease) in accordance with the terms of the Seller Lease prior to the expiration of the Seller Lease, then City shall have the right, as its sole and exclusive remedy for such failure, to retain the Holdback Funds as liquidated damages in accordance with the terms and conditions of the Seller Lease. If Seller fails to satisfy the Restoration Obligation (as defined in the Seller Lease) in accordance with the terms of the Seller Lease prior to the expiration of the Seller Lease (or the Punch List Cutoff Date (as defined in the Seller Lease), if applicable), then City shall have the right, as its sole and exclusive remedy for such failure, to retain from the Holdback Funds an amount, determined in accordance with the Seller Lease, that is necessary to complete the Restoration Obligation, and the balance of the Holdback Funds shall be released to Seller.

7. EXPENSES AND TAXES

7.1. Apportionments

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

7.2. Closing Costs

City shall pay the cost of the premium for the Title Policy and the cost of the endorsements thereto, and recording fees. City shall pay the cost of any update to the Survey. Seller shall pay fees of the Title Company under the Joint Escrow Instructions, and any transfer taxes applicable to the sale. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3. Real Estate Taxes and Special Assessments

General real estate taxes and special assessments payable for the tax year of Closing shall be adjusted with Seller paying for the period prior to Closing and City paying for the period after the Closing and with Seller paying for all prior years, including without limitation, interest and penalties payable thereon.

7.4. Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible (or, as applicable, upon

termination or expiration of the Seller Lease under the Joint Escrow Instructions), but in any event within twelve (12) months after the expiration or termination of the Lease. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

7.5. Survival

The provisions of this Section shall survive for one (1) year after the later of the Closing or the expiration or termination of the Seller Lease.

8. REPRESENTATIONS AND WARRANTIES

8.1. Representations and Warranties of Seller

Seller represents and warrants to and covenants with City as follows as of the date of this Agreement (and, in the Closing Certificate, as of the date of the Closing):

(a) To the best of Seller's knowledge, except as disclosed in the Documents or otherwise discoverable upon an inspection of the Property by a qualified consultant, there are no physical or mechanical defects of the Property that materially and adversely impact the current operation of the Property.

(b) To the best of Seller's knowledge, the Documents furnished to City are true, correct and complete copies of such documents to the extent in the possession or control of Seller or its affiliates. Seller is not responsible for the truth or accuracy of the information in the Documents, but Seller shall inform City if it has knowledge that any of such information is false or materially misleading.

(c) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City or an agency thereof, which could detrimentally affect the use, operation or value of the Property.

(d) To Seller's knowledge, the following utilities are on the date hereof available at the Property: water, sewer, electricity and telephone.

(e) [Intentionally omitted].

(f) There is no litigation pending which has been served on Seller, or, to the best of Seller's knowledge, threatened in writing to Seller within the prior six (6) months, against Seller that arises out of the ownership of the Property or that might materially and detrimentally affect the use or operation of the Property for storage purposes or the value of the Property or the ability of Seller to perform its obligations under this Agreement. Seller is not aware of any reason why the existing Improvements may not be used by the City for storage purposes.

(g) Intentionally omitted.

(h) Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware, which in the past has done business as 1828 Egbert Avenue LLC, and is in good standing under the laws of the State of California; this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, subject to applicable laws and principles of equity, and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(i) Seller represents and warrants to City that Seller has not received any written notice from a governmental agency that it has been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(j) To Seller's knowledge, there are no material uncured violations of any laws applicable to the ownership of the Property that have been issued in writing by any governmental agency that materially and detrimentally affect the use or operation of the Property for storage purposes.

(k) To Seller's knowledge, except as disclosed in the Documents and except as disclosed in any environmental investigation or report obtained by the City: (i) there has been no release by Seller of any Hazardous Material in, on, under or about the Property; (ii) Seller has not used the Property for the manufacture, use, discharge or disposal of Hazardous Materials; (iii) there are no tanks on the Property that are or were used for the storage of Hazardous Materials, and no building materials that contain Hazardous Materials; and (iv) the Property is not subject to any claim made in writing by any governmental regulatory agency or third party related to the release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property which Seller has received written notice of, in each case, within the prior six (6) months. As used herein, the following terms shall have the meanings below:

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

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

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

(l) At the time of Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and that would be binding on the City after the Closing and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. There are no written contractual obligations executed by Seller or its affiliates in connection with the Property which will be binding upon City after Closing, except for the Seller Lease, the Joint Escrow Instructions, and matters set forth in the Preliminary Report and for which City accepts as an exception to Title.

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

The phrase "to Seller's knowledge" or "to the best of Seller's knowledge" or similar language used in this Agreement shall mean the current, actual knowledge of John Mason or Shane Mason, without any duty of investigation or review of files. Seller represents that these are the persons within Seller's organization that have the most knowledge about the matters contained in this section. Such persons shall have no personal liability for these representations and warranties.

8.2. Survival of Representations and Warranties Indemnity

Subject to the provisions of Section 5.1(e) and this Section 8.2, Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all

liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, to the extent resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in the Closing Certificate. The indemnification provisions of this Section shall survive beyond the Closing, (a) for any loss or claim as to which Buyer gives written notice to Seller within twelve (12) months following the expiration or termination of the Seller Lease, and (b) subject to the applicable statute of limitations (which shall not be extended or tolled absent a separate written agreement between Seller and City) for any matter relating to a claim made by a third party made after such twelve (12) month period as to which Buyer gives written notice to Seller within thirty (30) days following City's receipt of the claim. All indemnifications in this Agreement are limited to payment of actual costs or direct losses, subject to proof, and shall not include consequential or punitive damages. For any breach discovered before the Closing after notice and a reasonable opportunity to cure, the City shall have the right to not close, and obtain reimbursement of its due diligence costs as set forth in Section 5.1(a), or to close and waive any claim for the known breach. Notwithstanding anything to the contrary contained in this Agreement, Seller's liability with respect to any and all representations, warranties or covenants contained in this Agreement which survive the Closing (a) shall not exceed \$2,000,000 in the aggregate, and (b) Seller shall have no liability with respect to any such matter unless same exceeds \$25,000 in the aggregate.

9. RISK OF LOSS AND POSSESSION

9.1. Risk of Loss

If any of the Property is damaged or destroyed prior to the Closing Date, or if condemnation proceedings are commenced against any of the Property (other than by City or an agency thereof), then the rights and obligations of Seller and City hereunder shall be as follows:

(a) If City reasonably determines or confirms that such damage or destruction is likely to be fully covered by Seller's insurance, except for the deductible amount thereunder, and such damage or destruction would cost less than ten percent (10%) of the Purchase Price (the "Threshold Damage Amount") to repair or restore, and the parties reasonably expect that the repairs can be made in less than one hundred eighty (180) days, then this Agreement shall remain in full force and effect and City shall acquire the Property upon the terms and conditions set forth herein. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument satisfactory to City.

(b) If City reasonably determines or confirms that such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would cost less than the Threshold Damage Amount to repair or restore, then the transaction contemplated by this Agreement shall be consummated with City receiving a credit against the Purchase Price at the Closing in an amount reasonably determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction and Seller shall receive and retain the entire proceeds of such insurance. If the

parties cannot reach agreement on the amount of the credit within thirty (30) days, then either party can terminate this Agreement without cost or liability within ten (10) days thereafter.

(c) If the cost to repair or restore such damage or destruction would equal or exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any of the Property (other than by City or any agency thereof), then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or only as to that portion of the Property damaged or destroyed or subject to condemnation proceedings (in which case there shall be an equitable adjustment to the Purchase Price), or to not terminate this Agreement and purchase the Property (or the portion not damaged or affected by condemnation, as the case may be). City shall have thirty (30) days after Seller notifies City that an event described in this Subsection (c) has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this Subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination. If City elects not to terminate this Agreement, Seller shall notify City of Seller's intention to repair such damage or destruction, in which case this Agreement shall remain in full force and effect, or notify City of Seller's intention to give City a credit against the Purchase Price at the Closing in the amount reasonably determined by City and Seller (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction and, in the event of a result of such condemnation proceeding, the value of any Property taken as a result of such proceeding, in which case this Agreement shall otherwise remain in full force and effect, and Seller shall be entitled to any proceeds of insurance or condemnation awards. Any repairs elected to be made by Seller pursuant to this Subsection shall be made within one hundred eighty (180) days following such damage or destruction, subject to any extension mutually agreed to by Seller and City, and the Closing shall be extended until the repairs are substantially completed.

9.2. Insurance

Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a policy or policies of property insurance in amounts equal to the full replacement value of the Improvements, insuring against all insurable risks, including, without limitation, fire, vandalism, malicious mischief, lightning, windstorm, water, [earthquake, flood] and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Seller shall furnish City with evidence of such insurance upon request by City.

9.3. Possession

Possession of the Property shall be delivered to City on the Closing Date subject to the terms of the Seller Lease.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1. Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear and the storage unit removal damage permitted under Section 5.1(f) excepted, and shall make all repairs and perform all maintenance of the Improvements (other than the storage unit removal damage permitted under Section 5.1(f)) and otherwise operate the Property in substantially the same manner as before the making of this Agreement, as if Seller were retaining the Property. Seller shall have no obligation to make any capital repairs or capital improvements.

10.2. Termination of Existing Contracts

After the Effective Date, Seller shall not enter into any Lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property. Seller shall terminate prior to the termination or expiration of the Seller Lease, at no cost or expense to City, any and all contracts and management agreements executed by Seller or its affiliates affecting the Property.

10.3. Reserved

11. GENERAL PROVISIONS

11.1. Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) five (5) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 1828 Egbert Avenue
415.554.9050

with copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team, 1828
Egbert Avenue

Seller:

San Francisco Self Storage III, LLC
1550 The Alameda, Suite 160
San Jose, CA 95126
Attn: John Mason

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and
Popeo, P.C.
666 Third Avenue
New York, NY 10017
Attn: Jeffrey A. Moerdler, Esq.

And

Reuben, Junius & Rose LLP
One Bush Street
Suite 600
San Francisco, CA 94104
Attn: Kevin Rose, Esq.

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by email should the parties agree that said specific notice may be served via established and known email addresses of the parties' respective representatives. However, neither party may give official or binding notice by email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original.

11.2. Brokers and Finders

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein, except for Mr. John Jensen, License #01102014, Executive Vice President, Colliers International CA, whose commission, if any is due, shall be the sole responsibility of Seller pursuant to a separate written agreement with such broker, and City shall have no liability whatsoever therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

11.3. Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns. City shall have the right, upon

notice to Seller, to assign its right, title and interest in and to this Agreement to one (1) or more affiliated nominees or assignees at any time before the Closing Date.

11.4. Amendments

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

11.5. Continuation and Survival of Representations and Warranties

Subject to the provisions of Section 5.1(e) and 8.2 of this Agreement, all representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All representations contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder and shall be subject to the provisions of Section 5.1(e) and 8.2 of this Agreement.

11.6. Governing Law

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

11.7. Merger of Prior Agreements

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

11.8. Parties and Their Agents; Approvals

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

11.9. Interpretation of Agreement

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

11.10. Attorneys' Fees

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

11.11. Sunshine Ordinance

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

11.12. Conflicts of Interest

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

11.13. Notification of Limitations on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Seller further acknowledges that the prohibition on contributions applies to each Seller; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller. Additionally, Seller acknowledges that Seller must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Seller further agrees to provide to City the names of each person, entity or committee described above.

11.14. Non-Liability of City Officials, Employees and Agents

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

11.15. Counterparts

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

11.16. Effective Date

As used herein, the term "Effective Date" shall mean the date on which this Agreement is executed by City and Seller.

11.17. Severability

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

11.18. Agreement Not to Market Prior to Effective Date

Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of the Property and shall not market the Property to third parties.

11.19. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGES]

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

SELLER:

SAN FRANCISCO SELF STORAGE III, LLC,
a Delaware limited liability company

By: Gray Cardiff & Company Incorporated,
its Managing Member

By: 

Gray Cardiff
President

Date: 12-02-19

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 

ANDRICO Q. PENICK
Director of Property

Date: 12/3/19

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 

EILEEN K. CHAUVET
Deputy City Attorney

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

PARCEL I:

Lot 5 as shown of the Map entitled, "Parcel Map of Gardiner Tract, also being a portion of Assessor's Block 5434-B, San Francisco, California", filed June 15th, 1981, in the Office of the Recorder of the City and County of San Francisco, State of California, in Book 20 of Parcel Maps, at Page 88.

PARCEL II:

BEGINNING at a point on the Northwesternly line of Newhall Street, distant South 16° 14' 54" West thereon, 298.135 feet from its intersection with the Southwesterly line of Carroll Avenue, as said Streets are shown on "Map showing the closing, realignment and widening of Streets in the Gardiner Tract" Dated October 1929, and approved by Resolution No. 108,489 and adopted December 6, 1929, by Resolutions Nos. 31713 and 31714 (new series) of the City and County of San Francisco, said point being in the North line of the lands of Wagner as described in Deed Recorded June 22nd, 1937 in Book 3130 of Official Records, Page 381 under Recorder's Serial number L69021; thence North 73° 45' 06" West along said North line and its prolongation, 404.16 feet; thence Westerly along a curve to the right tangent to said course and having a radius of 278.34 feet an arc distance of 72.52 feet to a point in the West line of said lands of Wagner; thence South 15° 25' 16" West along said West line, 17.62 feet; thence Easterly along a curve to the left from a tangent bearing South 59° 45' 06" East and having radius of 295.34 feet an arc distance of 72.16 feet; thence South 73° 45' 06" East, tangent to said curve, 404.16 feet to the Northwesternly line of Newhall Street; thence North 16° 14' 54" East thereon, 17.00 feet to the point of beginning.

PARCEL III:

AN EASEMENT as provided on Deed recorded June 24th, 1981, in Book D225 of Official Records, Page 659, under Recorder's Serial Number D100210 for maintenance, repair and painting 5 feet wide, measured at a right angle the Westerly line of which is described as follows:

BEGINNING at the Southerly corner common to Lots 4 and 5 as said Lots are shown on that certain Map entitled "Parcel Map of a portion of Gardiner Tract. Also being a portion of Assessor's Block 5434-B, San Francisco, California" Recorded on June 5th, 1981 in Book 20 of Parcel Maps at Page 88, San Francisco County Records; thence North 16° 14' 54" East 164.635 feet to an angle point in the boundary line common to said Lots 4 and 5 and the point of termination of the Westerly line of said easement.

APN: Lot 005, Block 5434B (Parcel I) and Lot 001C, Block 5434B (Parcel II)

EXHIBIT B

Proforma Title Policy

See attached

Chicago Title Insurance Company Pro Forma-CA-FWPN-IMP-72306-1-19-15606573



ISSUING OFFICE: 1200 Concord Ave., #400, Concord, CA 94520

August 15, 2019

=addressee=

Order No.: 15606573-156-TJK-JM

Property Address: 1828 Egbert Avenue, San Francisco, CA
Seller:
Buyer:

We appreciate the opportunity of being of service to you. Please call us immediately if you have any questions or concerns.

Sincerely,

Chicago Title Company

Escrow Contact:
Terina J. Kung
(415) 291-5128
Terina.Kung@ctt.com

Title Contact:
Jeff Martin
(925) 288-8062
jeff.martin@titlegroup.fntg.com



PRO FORMA OWNER'S POLICY OF TITLE INSURANCE

Issued by

Chicago Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, **CHICAGO TITLE INSURANCE COMPANY**, a Florida corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.

3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, **CHICAGO TITLE INSURANCE COMPANY** has caused this policy to be signed and sealed by its duly authorized officers.

Chicago Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes
(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written

instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to

purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium

maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) **To Pay or Tender Payment of the Amount of Insurance.**

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) **To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.**

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred

by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be

ALTA Owner's Policy (6/17/06)

72306 (6/06)

subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy

provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at **Chicago Title Insurance Company**, Attn: Claims Department, Post Office Box 45023, Jacksonville, Florida 32232-5023.

Chicago Title Insurance Company

SCHEDULE A

This is a Pro Forma Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

Name and Address of Title Insurance Company: **Chicago Title Company, One Embarcadero Center, Suite 250, San Francisco, CA 94111**

Policy No.: **Pro Forma-CA-FWPN-IMP-72306-1-19-15606573**

Order No.: **15606573-156-TJK-JM**

Address Reference: **1828 Egbert Avenue, San Francisco, CA**

Amount of Insurance: **PRO FORMA**

Premium: **PRO FORMA**

Date of Policy: **PRO FORMA**

1. Name of Insured:

City and County of San Francisco

2. The estate or interest in the Land that is insured by this policy is:

A Fee as to Parcel(s) I and II

Easement(s) more fully described below as to Parcel(s) III

3. Title is vested in:

City and County of San Francisco

4. The Land referred to in this policy is described as follows:

See Exhibit A attached hereto and made a part hereof.

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

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 I:

Lot 5 as shown of the Map entitled, "Parcel Map of Gardiner Tract, also being a portion of Assessor's Block 5434-B, San Francisco, California", filed June 15th, 1981, in the Office of the Recorder of the City and County of San Francisco, State of California, in Book 20 of Parcel Maps, at Page 88.

PARCEL II:

BEGINNING at a point on the Northwesterly line of Newhall Street, distant South 16° 14' 54" West thereon, 298.135 feet from its intersection with the Southwesterly line of Carroll Avenue, as said Streets are shown on "Map showing the closing, realignment and widening of Streets in the Gardiner Tract" Dated October 1929, and approved by Resolution No. 108,489 and adopted December 6, 1929, by Resolutions Nos. 31713 and 31714 (new series) of the City and County of San Francisco, said point being in the North line of the lands of Wagner as described in Deed Recorded June 22nd, 1937 in Book 3130 of Official Records, Page 381 under Recorder's Serial number L69021; thence North 73° 45' 06" West along said North line and its prolongation, 404.16 feet; thence Westerly along a curve to the right tangent to said course and having a radius of 278.34 feet an arc distance of 72.52 feet to a point in the West line of said lands of Wagner; thence South 15° 25' 16" West along said West line, 17.62 feet; thence Easterly along a curve to the left from a tangent bearing South 59° 45' 06" East and having radius of 295.34 feet an arc distance of 72.16 feet; thence South 73° 45' 06" East, tangent to said curve, 404.16 feet to the Northwesterly line of Newhall Street; thence North 16° 14' 54" East thereon, 17.00 feet to the point of beginning.

PARCEL III:

AN EASEMENT as provided on Deed recorded June 24th, 1981, in Book D225 of Official Records, Page 659, under Recorder's Serial Number D100210 for maintenance, repair and painting 5 feet wide, measured at a right angle the Westerly line of which is described as follows:

BEGINNING at the Southerly corner common to Lots 4 and 5 as said Lots are shown on that certain Map entitled "Parcel Map of a portion of Gardiner Tract. Also being a portion of Assessor's Block 5434-B, San Francisco, California" Recorded on June 5th, 1981 in Book 20 of Parcel Maps at Page 88, San Francisco County Records; thence North 16° 14' 54" East 164.635 feet to an angle point in the boundary line common to said Lots 4 and 5 and the point of termination of the Westerly line of said easement.

APN: Lot 005, Block 5434B (Parcel I) and Lot 001C, Block 5434B (Parcel II)

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

- 1. a) Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 1018
 Tax Identification No.: Lot 005, Block 5434B
 Fiscal Year: 2019-2020
 1st Installment: \$30,847.17 Open
 2nd Installment: \$30,847.17 Open
 Exemption: \$0.00
 Land: \$2,755,646.00
 Improvements: \$2,411,192.00
 Personal Property: \$0.00
 Bill No.: 157774

- b) Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 1018
 Tax Identification No.: Lot 001C, Block 5434B
 Fiscal Year: 2019-2020
 1st Installment: \$2,259.56 Open
 2nd Installment: \$2,259.56 Open
 Exemption: \$0.00
 Land: \$382,944.00
 Improvements: \$0.00
 Personal Property: \$0.00
 Bill No.: 157770

- 2. Intentionally deleted

- 3. The Land lies within the boundaries of a Mello Roos Community Facilities District ("CFD"), as follows:

CFD No: 90-1
 For: School Facility Repair and Maintenance

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

- 4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring on or after the Date of Policy.



SCHEDULE B
(Continued)

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City and County of San Francisco, a Municipal Corporation
Purpose: a subsurface easement for a five (5) foot nine (9) inch diameter concrete sewer
Recording Date: September 12, 1929
Recording No: E15572, Book 1912, Page 171, of Official Records
Affects: The center line of said easement being along said center line of Donner Avenue produced within said land

NOTE: Said easement is also shown on the Map entitled, "Map Showing The Closing, Realignment and Widening of Streets in the Gardiner Tract", Recorded on December 11, 1929 in Book M, Page 22, of Maps.

NOTE: Said easement is also shown on the Map filed on June 15th, 1981 in Book 20, Page 88, of Parcel Maps.

6. Intentionally deleted

7. Matters as shown on that certain Map/Plat entitled, "Parcel Map of a portion of Gardiner Tract also being a portion of Assessor's Block 5434-B"

Recording Date: June 15, 1981
Recording No.: Book 20, Page 88 of Parcel Maps

Reference is hereby made to said document for full particulars.

8. Matters contained in that certain document

Entitled: Notice of Intent to Preserve Mineral Interest
Dated: May 30, 1986
Executed by: Southern Pacific Transportation Company
Recording Date: June 16, 1986
Recording No: L817856, Book E109, Page 1066, of Official Records

Reference is hereby made to said document for full particulars.

Matters contained in that certain document

Entitled: Quitclaim Deed
Executed by: Union Pacific Railroad Company, a Delaware corporation and San Francisco Self Storage III, LLC, a Delaware limited liability company
Recording Date: July 26, 2000
Recording No.: 2000-G805800-00, Reel H687, Image 0555, Official Records

Reference is hereby made to said document for full particulars.

SCHEDULE B
(Continued)

9. Intentionally deleted

10. Intentionally deleted

11. Conditions contained and/or referred to in an instrument,

Entitled: Notice of Special Restrictions Under the Planning Code
By: Cray Cardiff, Representative for S.F. Self Storage III
Recorded: May 28, 2003, Instrument No. 2003-H447623-00, Reel I396, Image 0709, of Official Records

12. A notice that said Land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document

Recording Date: November 18, 2010
Recording No: 2010-J083655-00, Reel K273, Image 0422, of Official Records
Redevelopment Agency: Redevelopment Plan for the Bayview Hunters Point Redevelopment Area

13. Conditions and restrictions as set forth in a document recorded by the City and County of San Francisco, Department of Public Works.

Type of Permit: Minor Sidewalk Encroachment Permit # 12MSE-0158
Recording Date: May 17, 2012
Recording No.: 2012-J414502-00, of Official Records

Reference is made to said document for full particulars.

14. Intentionally deleted

15. Intentionally deleted

16. Intentionally deleted

17. Notice of Special Restrictions under the City Planning Code of the City and County of San Francisco upon the terms and conditions contained therein

Recording Date: May 28, 2003
Recording No.: 2003-H447623-00, Reel I396, Image 0709, of Official Records

Reference is made to said document for full particulars.



SCHEDULE B
(Continued)

- 18. Intentionally deleted
- 19. Intentionally deleted
- 20. Intentionally deleted
- 21. Intentionally deleted
- 22. Intentionally deleted
- 23. Any rights of the tenants listed on the attached Rent Roll, as tenants only with no options to purchase or rights of first refusal.
- 24. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: S-9814
 Dated: October 29, 2019
 Prepared by: Martin M. Ron Associates
 Matters shown:

A) Encroachments of improvements into Egbert Avenue:

- 1. 0.27' OV. @ Fence
- 2. 1.9' +/- OV. @ Metal Cover

B) Encroachment of improvements onto land adjacent to the northwest (Lot 3):

- 1. 0.1' OV. @ Fence

C) Encroachment of improvements into Donner Avenue:

- 1. 0.17' OV. @ Fence

D) Encroachment of improvements located on Donner Avenue, onto said land:

- 1. 0.55' OV. @ Curb

E) Encroachment of improvements located on land adjacent to the northeast (Lot 1B), onto said land:

- 1. 0.2' OV. @ Conc. Foundation, 1' +/- High

F) Encroachment of improvements located on land adjacent to the northeast (Lot 3), onto said land:

- 1. 1.5' OV. @ Barbed Wire
- 2. 0.2' +/- OV. @ Vent Pipe, 5' +/- Up
- 3. (3) Holes @ Roof – Roof Drainage onto Lot 1C without the benefit of a recorded easement
- 4. (3) Holes @ Roof – Roof Drainage onto Lot 1C without the benefit of a recorded easement



SCHEDULE B
(Continued)

G) Encroachment of improvements located on land adjacent to the northeast (Lot 2), onto said land:

- 1. 0.3' OV. @ Fence
- 2. 0.4' OV. @ Fence

H) Encroachment improvements onto land adjacent to the southeast (Lot 4):

- 1. 0.04' OV. @ Fence
- 2. 0.05' OV. @ Wall

I) Encroachment of improvements located on land adjacent to the northwest (Lot 25), onto said land:

- 1. 0.8' OV @ Roof overhang
- 2. 0.3' OV @ Bldg.
- 3. 2.5' OV @ Fence

J) Encroachment of improvements located on land adjacent to the southwest (Lot 4), onto said land:

- 1. 0.06' OV @ Fence

25. Intentionally deleted

26. Intentionally deleted

27. Intentionally deleted

END OF SCHEDULE B

This is a pro forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as a part of the pro forma policy in no way evidences the willingness of the company to provide any affirmative coverage shown therein. There are requirements which must be met before a final policy can be issued in the same form as the pro forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

Additional Matters may be added or other amendments may be made to this pro forma policy by reason of any defects, liens or encumbrances that appear for the first time in the Public Records or come to the attention of the Company and are created or attached between the issuance of this pro forma policy and the issuance of a policy of title insurance. The Company shall have no liability because of such addition or amendment.



EXHIBIT C

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

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

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

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

GRANT DEED

(Assessor's Parcel Nos. 5434B-005 and 5434B-001C)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, San Francisco Self Storage III LLC, a Delaware limited liability company, hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

[SIGNATURE ON FOLLOWING PAGE]

Executed on _____, 20__.

SAN FRANCISCO SELF STORAGE III, LLC,
a Delaware limited liability company

By: Gray Cardiff & Company Incorporated,
its Managing Member

By: _____
Gray Cardiff
President

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 363-19, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

Andrico Q. Penick
Director of Property

EXHIBIT D

ASSIGNMENT OF WARRANTIES AND GUARANTIES AND OTHER INTANGIBLE PROPERTY

THIS ASSIGNMENT is made and entered into as of this ____ day of _____, 20____, by and between San Francisco Self Storage III LLC, a Delaware limited liability company ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under:

A. all warranties and guaranties made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto including, without limitation, those warranties and guaranties listed in Schedule 1 attached hereto (collectively, "Warranties");

B. any other Intangible Property (as defined in that certain Agreement of Purchase and Sale of Real Estate dated as of _____, 20____, between Assignor and Assignee (or Assignee's predecessor in interest) (the "Purchase Agreement").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

2. Except as otherwise set forth in the Purchase Agreement, effective as of the Effective Date (as defined below), Assignee hereby assumes all of the owner's obligations under the Service Contracts and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

3. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

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

6. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

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

[SIGNATURES ON FOLLOWING PAGE]

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

ASSIGNOR:

SAN FRANCISCO SELF STORAGE III, LLC,
a Delaware limited liability company

By: Gray Cardiff & Company Incorporated,
its Managing Member

By: _____
Gray Cardiff
President

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____

Deputy City Attorney

EXHIBIT E

**CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA Affidavit)**

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

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

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number is _____; and

3. Transferor's office address is _____

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

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

Dated: _____, 20__.

On behalf of:

SAN FRANCISCO SELF STORAGE III,
LLC,
a Delaware limited liability company

By: Gray Cardiff & Company Incorporated,
its Managing Member

By:

Gray Cardiff
President

EXHIBIT F

Reserved

EXHIBIT G

Reserved

EXHIBIT H

Form of Seller Lease

PERMIT TO USE CITY PROPERTY (1828 Egbert Avenue)

THIS PERMIT TO USE CITY PROPERTY (this “**Agreement**”), dated for reference purposes only as of _____, 20____, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”) and SAN FRANCISCO SELF STORAGE III, LLC, a Delaware limited liability company (“**Seller**”). City and Seller are entering into this Agreement as part of that certain Agreement of Purchase and Sale for Real Estate dated _____, 2019 for Seller’s sale of the Property, as described below, to City (the “**PSA**”). Capitalized terms used, but not defined, in this Agreement, shall have the meanings ascribed to such terms in the PSA.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Seller agree as follows:

1. LICENSE

City grants to Seller a personal, unassignable, exclusive and possessory privilege to enter on and use that certain real property owned by City located at 1828 Egbert Street (Block 5434B, Lot 005; Block 5434B, Lot 001C) in the City and County of San Francisco, more particularly shown in Exhibit A (the “**Property**”), for the limited purpose and subject to the terms, conditions and restrictions set forth below. This Agreement gives Seller a license only, and nothing in this Agreement constitutes a grant by City of any ownership, leasehold, easement, or other property interest or estate whatsoever in the Property, or any portion of it. The privilege given to Seller under this Agreement is effective only to the extent of City’s rights in the Property, and Seller will obtain any further permission necessary because of any other existing rights affecting the Property. Seller accepts the Property in its “AS IS” condition, without representation or warranty of any kind by City.

2. USE OF PERMIT AREA

Obligations. Seller shall use the Property to: (i) manage and administer existing storage agreements and any other agreements for the right to use or occupy the Property (the storage units that are occupied as of the date hereof are listed on Exhibit B, and the persons occupying such units are collectively referred to herein as the “**Occupants**”), reasonably consistent with past operations, (ii) terminate such agreements and to cause the Occupants to vacate the Property as soon as reasonably possible but in no event later than the Expiration Date (as hereinafter defined) (the “**Vacate Obligation**”); and (iii) remove all of the storage lockers at the Property (and any property or fixtures attached thereto) and restore any damage caused thereby except for reasonable wear and tear, and damage related to the removal of the storage lockers if such damage could be restored by reasonable painting, plastering, concrete repair for screw, nail and similar holes, and similar work (the “**Restoration Obligation**” and collectively with the Vacate Obligation, the “**Obligations**”). Seller represents and warrants that the Occupants are the only existing tenants, permittees or occupants renting storage space or that otherwise have the right to occupy some or all of the Property, and Tenant will not allow any new person or entity to rent or occupy space at the Property from and after the date hereof. By the Expiration Date, Seller shall provide copies of any waivers, releases or termination agreements that it receives from storage customers documenting the termination of their storage agreements.

Completion of Vacation Obligation and Removal of Lockers Except Punch List. In the event that on, or at any time prior to, the Expiration Date, Seller has satisfied the Vacate Obligation

and has caused the removal of all storage lockers at the Property, subject only to Punch List (as hereinafter defined) items, then Seller shall be entitled to, and Seller and City shall issue joint written instructions to Escrow Agent (“**Partial Completion Certificate**”) to immediately receive the Holdback Amount less (a) an amount equal to two hundred percent (200%) of the cost to complete the Punch List items, as reasonably determined by Seller and supported by a written estimate from a licensed contractor; and (b) the sum of \$5,000 to secure the payment of any portion of the Fee that is unpaid or that will be payable prior to the Punch List Cutoff Date (the amount so released, the “**Partial Release**” and the amount retained in escrow, the “**Balance**”). The parties agree to rely on a licensed contractor engaged by Seller to prepare a reasonably detailed estimate of the Balance, which estimate shall be subject to approval by City, such approval not to be unreasonably withheld, conditioned or delayed. Seller shall use its diligent good faith efforts to complete the Punch List items as soon as is reasonably practical, but in all events within thirty (30) days after the Expiration Date (the “**Punch List Cutoff Date**”). Once the Expiration Date has occurred, Seller and its agents and contractors shall still have the right to continue to access the Property, and shall pay the Fee during any period of such access, in accordance with the terms of this Agreement until the earlier of the completion of the Restoration Obligation or the Punch List Cutoff Date. Seller and City shall execute joint written instructions directing the Escrow Agent to release the Balance in full: to Seller if the Restoration Obligation is completed on or prior to the Punch List Cutoff Date (“**Punch List Completion Certificate**”), or to City if such remaining Punch List items are not completed on or prior to the Punch List Cutoff Date (“**Punch List Failure Certificate**”), and City shall thereafter be solely responsible for the completion of any remaining Punch List items at City’s sole cost and expense.

Periodic Inspection and Punch List. Upon Seller’s request from time-to-time during the Term, Seller and City will, both acting reasonably and in good faith: (x) at a mutually approved time within three (3) business days after such request, jointly inspect areas of the Property designated by Seller as to which the Vacate Obligation has been satisfied and the storage lockers with respect thereto have been removed, (y) within two (2) business days after such joint inspection, confirm in a writing signed by Seller and City that the Vacate Obligation and removal of the applicable storage lockers has been completed with respect to the relevant portion of the Property (each, an “**Interim Certificate**” with respect to the identified area) and, (z) if applicable, within five (5) business days after such joint inspection, compile a reasonably detailed list of any remaining work Seller is required to perform in order to complete the Restoration Obligation (each, a “**Punch List**”) with respect to such portion of the Property. Seller shall not be required in connection with the Restoration Obligations, and no Punch List shall require Seller, to repair: (A) minor damage related to the removal of the storage lockers if such damage could be restored by reasonable painting, plastering, concrete repair to the walls, floors and/or ceilings for any screw, nail or similar holes and minor chipping to walls and floors, and similar work, (B) ordinary wear and tear, and (C) damage by fire or other casualty to the extent not covered by the insurance required under this Agreement. After the execution of an Interim Certificate or a Punch List, City shall have no right to object to the condition of the portion of the Property covered by the Interim Certificate and any related Punch List, except for (i) any incomplete items on the Punch List, and (ii) any material change in condition of the applicable portion of the Property after the date of the Interim Certificate and Punch List. The parties intend that the first Interim Certificate and Punch List will define the surrender condition of the Property, and accordingly all future Punch Lists will be prepared with substantially the same standards for Seller’s completion of the Restoration Obligation as set forth in the first Punch List.

Completion Certificate for Entire Property. Within five (5) days following Seller obtaining actual knowledge of the departure of all of the Occupants and the removal of all of the storage locker facilities from the Property, Seller shall notify City and certify that the Obligations have been substantially satisfied (the “**Substantial Completion Notice**”). On receipt of the Substantial Completion Notice, Seller and City will, both acting reasonably and in good faith:

(1) at a mutually agreeable time within three (3) business days after the date of the Substantial Completion Notice, jointly inspect the Property, and (2) within three (3) business days after the date of such joint inspection, prepare a jointly executed: (I) certification addressed to the Escrow Agent (as defined in the Joint Escrow Instructions of even date herewith (the “**Joint Escrow Instructions**”)) that the Obligations have been satisfied and that Escrow Agent is instructed to release the Holdback Amount (as defined in the Joint Escrow Instructions) in full to Seller (the “**Completion Certificate**”); or (II) a consolidated Punch List covering all work that Seller is required to perform in order to complete the Restoration Obligation for the entire Property. At any time after completion of one (1) or more Punch List(s) collectively covering the entire Property, as soon as possible but not later than three (3) business days after Seller’s written request from time-to-time, Seller and City, both acting reasonably and in good faith shall: (aa) jointly re-inspect the Property and (bb) within two (2) business days after such joint inspection, update any Punch List or execute a Completion Certificate, as applicable. Promptly after completion of all Punch List items (if any), Seller and City shall execute a Completion Certificate and provide a copy of same to Escrow Agent, and City shall not object to a release of the Holdback Amount in full to Seller.

Maintenance. Seller will not make any improvements or alternations to the Property without City’s prior written consent, except as is necessary to comply with the requirements of this Agreement, including the Obligations, or to comply with applicable laws. Seller will maintain the Property in good and safe condition, in accordance with past practices, and City will have no duty whatsoever for any maintenance or repair. Seller will use, and will instruct its agents and invitees to use, commercially reasonable efforts at all times to avoid any damage or harm to the Property, and will promptly repair any damage and return the Property to the condition it was in on the Closing Date, that Seller shall not be required to re-install any storage lockers (or any property or fixtures previously attached thereto) and Seller shall not be required to repair: (A) minor damage related to the removal of the storage lockers if such damage could be restored by reasonable painting, plastering, concrete repair to the walls, floors and/or ceilings for any screw, nail or similar holes and minor chipping to walls and floors, and similar work, (B) ordinary wear and tear, and (C) damage by fire or other casualty to the extent not covered by the insurance required to be carried by Seller under this Agreement.

Hazardous Material. Seller will not cause or knowingly permit any Hazardous Material to be brought on, kept, used, or disposed of in or on Property, except in compliance with all applicable laws. Seller will promptly notify City when Seller learns that a release of Hazardous Material in violation of applicable law has occurred in, on, or about the Property. During the term of this Agreement, Seller will comply with all laws requiring notice of releases to governmental agencies, and will take all action required by applicable law to mitigate the release or minimize the spread of contamination. If Hazardous Material is released on the Property during the term of this Agreement, Seller will, without cost to City and in accordance with all laws and regulations, restore the Property to substantially the condition immediately before the release. In connection with any such release and restoration of the Property, Seller will give City, at City’s cost and expense, a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise proceeding involving Hazardous Material. Seller will not use or apply or knowingly allow the use or application of any pesticides on the Property.

Insurance. Seller will maintain property and general liability insurance as described in Exhibit C; provided that the limits for general liability insurance must be at least \$5,000,000 annual aggregate, which may be satisfied by a combination of general liability coverage and umbrella coverage. The general liability and excess liability policies described therein must provide for the following: (i) for general liability insurance, list as additional insureds the City and County of San Francisco, its officers, agents, and employees; (ii) for property insurance, list the City and County of San Francisco as sole loss payee; and (iii) specify that the policies are primary

insurance to any other insurance available to the additional insureds, with respect to claims arising out of this Agreement and that insurance applies as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought. Subject to policy terms and conditions, the policies must also provide for severability of interests and that an act or omission of one of the named insureds that would void or otherwise reduce coverage will not reduce or void the coverage as to any other insured party under such policy, and will afford coverage for claims based on acts, omissions, injury, or damage that occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period, except for claims solely attributable to the negligence of the City. Before the commencement date of this Agreement, Seller will deliver to City certificates of insurance and additional insured policy endorsements (except for any excess liability policy) from insurers in a form reasonably satisfactory to City, evidencing the coverages required, together with complete copies of the policies at City's request. If Seller fails to procure the required insurance, or to deliver the policies or certificates, then City may procure the required insurance for the account of Seller, and Seller will pay the cost of those policies to City within five (5) days after delivery an invoice. Any property insurance proceeds payable during this Agreement shall be used by Seller to repair damage to the Property or paid promptly to the City so that the City can make such repairs on its own.

No Liens. Seller will bear all costs or expenses of any kind or nature in connection with its use of the Property, and will keep the Property free and clear of any liens arising out or connected with its use of the Property. If any such lien attaches to the Property and Seller does not cause the same to be released by payment, bonding or otherwise within thirty (30) days after written notice of the filing thereof is provided to Seller, City shall have the right, but not the obligation, to cause the same to be released and any sums reasonably expended by City after written notice to Seller (plus City's reasonable administrative costs) in connection therewith shall be payable by Seller on demand.

Utilities. City has no responsibility or liability of any kind for the provision of any utilities, other than to cooperate in good faith with Seller in connection with the uninterrupted provision of utilities, at no out of pocket cost or expense to City. Seller shall pay all costs of utilities directly to the utility provider.

Tobacco; Alcohol; Drugs. No sale or advertising of cigarettes or tobacco products is allowed on the Property. No advertising of alcoholic beverages is allowed on the Property. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. Under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal law is prohibited on City premises.

3. FEES

Seller will pay to City a fee of One Thousand Dollars (\$1,000) for every calendar month during the Term (the "Fee"). The Fee will be paid, at Seller's election, either by Seller or out of the Holdback Amount, no later than the Expiration Date. If the Fee has not been paid by the Expiration Date, the amount due for the Fee will be deducted from the Holdback Amount and paid to City. The Fee is for Seller's use of the Property, and Seller shall pay the Fee without any deduction, setoff or counterclaim whatsoever. The Fee will be prorated on a per diem basis for any fractional month.

4. TERM OF PERMIT; REVOCABILITY

The privilege given to Seller under this Agreement is temporary only and will commence the Closing Date and continue for six (6) months, unless sooner terminated in accordance with the

terms of this Agreement; provided that the term of this Agreement shall automatically be extended for up to three (3) additional months, in the aggregate, if a Completion Certificate has not been executed, provided that Seller is using reasonable efforts to satisfy the Obligations (the date on which this Agreement expires is hereinafter referred to as the “**Expiration Date**”). Notwithstanding anything to the contrary in this Agreement, this Agreement shall automatically terminate upon the execution of a Completion Certificate by Seller and City. If Seller fails to comply with any material term of this Agreement and does not cure the non-compliance within thirty (30) days after notice by City (or, if the cure cannot reasonably be completed within such time, if Seller does not start the cure within thirty (30) days and diligently pursue the cure to completion), then City may terminate this Agreement.

Any continued use of the Property by Seller after the Expiration Date or sooner termination of this Agreement without the City's consent will constitute a default by Seller and entitle City to exercise any lawful eviction remedy.

5. HOLDBACK AMOUNT

To the extent it is applicable to this Agreement, Seller waives the provisions of California Civil Code Section 1950.7 or any similar law, statute, or ordinance now or later in effect. The Holdback Amount will secure Seller's satisfaction of the Obligations. City's right to receive the (i) entirety of the Holdback Amount, subject to and in strict accordance with the terms and conditions of the Joint Escrow Instructions, as liquidated damages shall be City's sole and exclusive remedy for Seller's failure to satisfy the Vacate Obligation by the Expiration Date; and (ii) the Balance, subject to and in strict accordance with the terms and conditions of the Joint Escrow Instructions, as liquidated damages shall be City's sole and exclusive remedy for Seller's failure to satisfy the Restoration Obligation by the Punch List Cutoff Date, and upon payment of the Holdback Amount (in the case of a failure pursuant to clause (i) above) or the Balance (in the case of a failure pursuant to clause (ii) above) to City, Seller shall be automatically released from any and all liability (except for liabilities that expressly survive expiration of this Agreement pursuant to the terms of this Agreement) and obligation in connection with the Obligations. THE PARTIES HAVE AGREED THAT CITY'S ACTUAL DAMAGES IN THE EVENT OF SUCH FAILURE WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE AGREED UPON THE SUM SPECIFIED ABOVE, AFTER NEGOTIATION, AS THEIR REASONABLE ESTIMATE OF CITY'S DAMAGES IN SUCH EVENT.

Initials: Seller _____ City _____

6. COMPLIANCE WITH LAWS

Seller will, at its expense, conduct and cause to be conducted all activities on the Property in compliance with all laws, regulations, codes, ordinances, and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act and any other disability access laws), whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties, in all material respects. Seller will, at its sole expense, procure and maintain in force at all times during its use of the Property any and all material business and other licenses or approvals necessary to conduct the activities allowed under this Agreement. Seller understands and agrees that City is entering into this Agreement in its capacity as a property owner with a proprietary interest in the Property and not as a regulatory agency with police powers. Nothing in this Agreement will limit in any way Seller's obligation to obtain any required regulatory approvals from City departments, boards, or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers.

7. SURRENDER

On the Expiration Date (or the Punch List Cutoff Date, if applicable) or within ten (10) days after any other termination of this Agreement, Seller will surrender the Property with the Obligations, including Punch List items, completed, and return the Property to the City in clean condition, with all debris and personal property removed, and in otherwise substantially in the same condition as on the Closing Date, subject to: (i) any minor damage related to the removal of the storage lockers if such damage could be restored by reasonable painting, plastering, concrete repair for screw, nail or similar holes and minor chipping to walls and floors, and similar work, (ii) ordinary wear and tear, and (iii) damage by fire or other casualty to the extent not covered by the insurance required under this Agreement. For the avoidance of doubt, Seller shall not be required to re-install any storage lockers (or any property or fixtures previously attached thereto).

8. WAIVER OF CLAIMS; WAIVER OF CONSEQUENTIAL AND INCIDENTAL DAMAGES; REMEDIES

(a) Neither City nor any of its agents will be liable for any damage to the property of Seller, or its agents or invitees, or for any bodily injury or death to any persons, resulting or arising from the condition of the Property or its use by Seller. Seller acknowledges that it will not be a displaced person at the time this Agreement expires or terminates. Seller fully RELEASES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue, City and its agents, for any claims relating to the condition of the Property and any claims for relocation benefits or assistance from City under federal and state relocation assistance laws.

(b) Seller expressly acknowledges and agrees that the fees payable under this Agreement do not take into account any potential liability of City for any consequential, special, or incidental damages including, but not limited to, lost profits arising out of disruption to the facilities or Seller's uses under this Agreement. City would not be willing to give this Agreement in the absence of a complete waiver of liability for consequential, special, and incidental damages. Accordingly, without limiting any indemnification obligations of Seller or other waivers contained in this Agreement and as a material part of the consideration for this Agreement, Seller fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential, special, and incidental damages and covenants not to sue for such damages, arising out of this Agreement or the uses authorized under this Agreement.

(c) In connection with the foregoing releases, Seller acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Seller acknowledges that the releases contained in this Agreement includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Seller acknowledges that it has agreed to this Agreement with full knowledge of this waiver and the effect of this waiver, and, being fully aware of the consequences, Seller intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained in this Agreement will survive any termination of this Agreement.

(d) Subject to the liquidated damages in Section 5, which shall be City's sole remedy in the event Seller fails to fulfill the Obligations by the Outside Date, each party shall have all rights

and remedies available at law and in equity to enforce this Agreement, provided that any damages shall be limited to actual damages incurred by a party. Each party fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential, special, and incidental damages and covenants not to sue for such damages, arising out of this Agreement.

9. CITY'S RIGHT TO CURE

If Seller fails to perform any of its obligations under this Agreement, to restore the Property or repair damage, or if Seller defaults in the performance of any of its other obligations under this Agreement and such failure continues for thirty (30) days after written notice to Seller, then City may, at its sole option, remedy the failure for Seller's account and at Seller's expense by providing Seller with ten (10) days' prior written notice of City's intention to cure the default (except that no prior notice will be required in an emergency as reasonably determined by City). No actions taken by City will be construed as a waiver of any rights or remedies of City under this Agreement or otherwise, and nothing in this Agreement will imply any duty of City to do any act that Seller is obligated to perform. Seller will pay to City within twenty (20) days after written demand, all reasonable costs, damages, reasonable expenses, or liabilities actually incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy the default. Seller's obligations under this Section will survive the termination of this Agreement so long as City demanded performance before the Expiration Date.

10. INDEMNITY

Seller will indemnify, defend, reimburse and hold City harmless from and against all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages, and liabilities of any kind (collectively, "**Losses**"), to the extent arising during the Term out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on, or about the Property; (b) any failure by Seller to faithfully observe or perform any of the terms, covenants, or conditions of this Agreement; (c) the use of the Property or any activities conducted by Seller, its agents or invitees; (d) any claim by any Occupant or other person at the Property claiming a right to relocation benefits under state or federal law relating to the PSA, this Agreement, or City's purchase of the Property, including under the California Relocation Assistance Law (Cal. Gov't Code Section 7260 et seq. and implementing regulations); (e) any claim by any Occupant or other person at the Property regarding lost or damaged property; or (f) any release or discharge, of any Hazardous Material in or on the Property. The foregoing indemnity includes, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs, and all other reasonable costs and expenses and claims for damages or decreases in the value of adjoining property. Seller specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the claim is tendered to Seller by City and continues at all times thereafter. Seller's obligations under this Section will survive the expiration or other termination of this Agreement for a period of 12 months following the Expiration Date and, for any claim made by a third party against the City that falls within the indemnity, for the duration of the applicable statute of limitations (which statute of limitations shall not be tolled or extended without a separate written agreement between City and Seller).

11. NO ASSIGNMENT; NO JOINT VENTURE

This Agreement is personal to Seller and may not be assigned, conveyed, or otherwise transferred by Seller under any circumstances. This Agreement does not create a partnership or

joint venture between City and Seller as to any activity conducted by Seller on, in or relating to the Property. Seller is not a State actor with respect to any activity conducted by Seller on, in, or under the Property.

12. NON-DISCRIMINATION

In the performance of this Agreement, Seller will not to discriminate against any employee of, any City employee working with Seller, or applicant for employment with Seller, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of those protected classes, or in retaliation for opposition to discrimination against those classes. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth.

13. POSSESSORY INTEREST TAXES

Seller recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that Seller may be subject to the payment of property taxes levied on that interest under applicable law. Seller agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Seller's interest under this Agreement or use of the Property and to pay any other taxes, excises, licenses, permit charges, or assessments based on Seller's usage of the Property that may be imposed on Seller by applicable law. Seller will pay all of charges when they become due and payable and before delinquency. San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublicense, or other transfer of this Agreement be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Seller must provide a copy of this Agreement to the County Assessor not later than sixty (60) days after the commencement date of this Agreement, and Seller will also timely provide any information that City may request to ensure compliance with this requirement.

14. CRIMINAL HISTORY INQUIRIES FOR EMPLOYMENT

(a) Unless exempt, Seller agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "**Chapter 12 T**"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Seller hired after the date hereof who would be or are performing work at the Property.

(b) Intentionally deleted.

(c) Seller may not inquire about, require disclosure of, or if such information is received, base an Adverse Action (defined in Chapter 12T) on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Seller may not inquire about or require new applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Seller may not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Seller will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Seller at the Property, that the Seller will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) If and to the extent Seller seeks to hire any new employees at the Property after the date hereof, Seller will post the notice prepared by the Office of Labor Standards Enforcement (“**OLSE**”), available on OLSE’s website, in a conspicuous place at the Property and at other workplaces within San Francisco where interviews for job opportunities at the Property occur. The notice must be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Property or other workplace at which it is posted.

(g) Seller understands and agrees that on any failure to comply with the requirements of Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T or this Agreement, including, but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

(h) If Seller has any questions about the applicability of Chapter 12T, it may contact the City’s Real Estate Division for additional information. City’s Real Estate Division may consult with the Director of the City’s Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

15. SELLER’S COMPLIANCE WITH CITY BUSINESS AND TAX AND REGULATIONS CODE

Seller acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment City is required to make to Seller under this Agreement is withheld, then City will not be in breach or default under this Agreement, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Seller, without interest, late fees, penalties, or other charges, upon Seller coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

16. NOTICES

Except as otherwise expressly provided in this Agreement, any notices given under this Agreement will be effective only if in writing and given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) five (5) days after being deposited in the United States Mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco

25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 1828 Egbert Avenue
415.554.9050

with copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: 1828 Egbert Avenue

Seller:

San Francisco Self Storage III, LLC
1550 The Alameda, Suite 160
San Jose, CA 95126
Attn: John Mason

with a copies to:

Mintz, Levin, Cohn, Ferris, Glovsky and
Popeo, P.C.
666 Third Avenue
New York, NY 10017
Attn: Jeffrey A. Moerdler, Esq.

Reuben, Junius & Rose LLP
One Bush Street, Suite 600
San Francisco, CA 94104
Attn: Kevin Rose, Esq.

Or to such other address as either party may from time to time specify in writing to the other upon five (5) days' prior written notice in the manner provided above. For convenience of the parties, copies of notices may be sent by email should the parties agree that said specific notice may be served via established and known email addresses of the parties' respective representatives. However, neither party may give official or binding notice by email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original.

17. SEVERABILITY

If any provision of this Agreement or the application of a provision of this Agreement to any person, entity, or circumstance is invalid or unenforceable, the remainder of this Agreement, or the application of the provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected, and each other provision of this Agreement will be valid and be enforceable to the fullest extent permitted by law.

18. COUNTERPARTS

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

19. COOPERATIVE DRAFTING

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party will be considered the drafter of this Agreement, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Agreement.

20. GENERALLY APPLICABLE PROVISIONS

(a) This Agreement may be amended or modified only by a writing signed by City and Seller. (b) No waiver by any party of any of the provisions of this Agreement will be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in the written waiver. (c) All approvals and determinations of City requested, required, or permitted under this Agreement may be made by the Director of Property or other authorized City official. (d) This instrument (including the exhibit(s) attached to this Agreement) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged into this Agreement. (e) The section and other headings of this Agreement are for convenience of reference only and will be disregarded in the interpretation of this Agreement. (f) Time is of the essence. (g) This Agreement will be governed by California law. (h) If either party commences an action against the other or a dispute arises under this Agreement, the prevailing party will be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of City will be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (i) If Seller consists of more than one person then the obligations of each person will be joint and several. (j) Seller may not record this Agreement or any memorandum hereof. (k) Subject to the prohibition against assignments or other transfers by Seller under this Agreement, this Agreement will be binding on and inure to the benefit of the parties and their respective heirs, representatives, successors, and assigns. (l) If City sells or otherwise conveys the property where the Property is located, then this Agreement will automatically be revoked. (m) All exhibits attached to this Agreement are incorporated by reference.

[SIGNATURES ON FOLLOWING PAGE]

Seller represents and warrants to City that it has read and understands the contents of this Agreement and will comply with and be bound by all of its provisions.

SELLER:

SAN FRANCISCO SELF STORAGE III, LLC,
a Delaware limited liability company

By: Gray Cardiff & Company Incorporated,
its Managing Member

By: _____
Gray Cardiff
President

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick, Director of Property
(pursuant to San Francisco Administrative
Code Section 23.31)

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
_____ Deputy City Attorney

EXHIBIT A

Property

EXHIBIT B

Occupants

EXHIBIT C

See Attached



**Customarq Series
Customarq Classic Insurance Program**

Premium Bill

Policy Period JULY 1, 2019 TO JULY 1, 2020
Effective Date JULY 1, 2019
Policy Number 3587-93-82 WUC
Insured CARDIFF MASON DEVELOPMENT

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JUNE 27, 2019

**Portion of total premium attributable for terrorism and statutory standard fire where applicable
is \$ 5,403.00**

PLEASE SEND PAYMENT TO AGENT OR BROKER.

<i>Date Payment Due</i>	<i>Premium</i>
JULY 1, 2019	\$ 30,205.75
OCTOBER 1, 2019	\$ 30,205.75
JANUARY 1, 2020	\$ 30,205.75
APRIL 1, 2020	\$ 30,205.75
TOTAL	\$ 120,823.00

WHEN SENDING PAYMENT, PLEASE INDICATE POLICY NUMBER ON YOUR CHECK.

NOTE: PLEASE RETURN THIS BILL WITH PAYMENT AND INCLUDE ANY ADDITIONAL CHANGES.

Producer:
HUB INTERNATIONAL INSURANCE SERVICES INC.
PO BOX 4047
CONCORD, CA 94524-4047

IMPORTANT NOTICE TO POLICYHOLDERS
TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- *provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.*
- *is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.*

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

CHUBB®

POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

CHUBB®

Important Notice To Policyholders

**THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING
NEW YORK CITY LOCATIONS REQUIRING JURISDICTIONAL
INSPECTIONS**

PLEASE READ THIS NOTICE CAREFULLY

***New York City
Department Of
Buildings – Building
Owner Registration
Requirement To
Prevent Jurisdictional
Inspection Fines***

This Notice is intended to inform you that the New York City Department of Buildings requires building owners to register in the city's NOW Safety System. Required jurisdictional inspections can not be filed until this registration process has been completed and the email address of the building registrant has been provided to Chubb. Failure to complete registration and provide Chubb with this information will result in our inability to file inspections and can lead to missed inspection fines of \$1,000 or more per object which will be your responsibility.

CHUBB®

Customarq Series

Customarq Classic Insurance Program

FOR

CARDIFF MASON DEVELOPMENT

Producer:

HUB INTERNATIONAL INSURANCE SERVICES INC.
2300 CLAYTON ROAD #300
CONCORD, CA 94520-0000

Chubb Servicing Office:

SAN RAMON
2603 CAMINO RAMON
SUITE 300
SAN RAMON, CA 94583-9136

**Customarq Series
Customarq Classic Insurance Program**

How To Report A Loss

To report a Loss, use the following procedure.

Loss Notification

If an **Insured Person** has a **Loss**, please contact us by telephone as soon as possible for further assistance:

Telephone Number: 1-800-252-4670

24 hours a day, 7 days a week

Fax Number

You may also fax the loss report during normal business hours to:

Fax Number: 1-800-300-2538

Mailing Address

You may mail your loss report to the following address:

Chubb Group Of Insurance Companies
Claim Service Center
600 Independence Parkway
P.O. Box 4700
Chesapeake, Va. 23327-4700

Table Of Contents

This Table Of Contents is provided to acquaint you with the overall organization of this policy.

POLICY ORGANIZATION

Insuring Agreement

Premium Summary

Property Insurance Section

Property Schedule Of Forms & Declarations

Property Contracts *

Property Endorsements

Liability Insurance Section

Liability Schedule Of Forms & Declarations

Liability Contracts *

Liability Endorsements

Crime Insurance Section

Crime Schedule Of Forms & Declarations

Crime Contracts *

Common Policy Section

Common Policy Conditions

Common Policy Endorsements

* Note: Each contract within a section has its own Table Of Contents to facilitate your use of them.

Insuring Agreement

**Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889**

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
140 TOWN AND COUNTRY DR STE E
DANVILLE, CA 94526

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0009597

*Incorporated under the laws of
INDIANA*

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
2300 CLAYTON ROAD #300
CONCORD, CA 94520-0000

Company and Policy Period

Insurance is issued by the company in consideration of payment of the required premium.

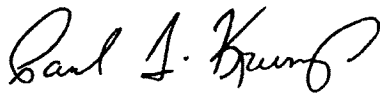
This policy is issued for the period 12:01 AM standard time at the Named Insured's mailing address shown above:

From: JULY 1, 2019 To: JULY 1, 2020

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

This Insuring Agreement together with the Premium Summary, Schedule Of Forms, Declarations, Contracts, Endorsements and Common Policy Conditions comprise this policy.

In Witness Whereof, the company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.



President



Secretary



Authorized Representative



**Customarq Series
Customarq Classic Insurance Program**

Premium Summary

**Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889**

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
140 TOWN AND COUNTRY DR STE E
DANVILLE, CA 94526

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0009597

*Incorporated under the laws of
INDIANA*

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
2300 CLAYTON ROAD #300
CONCORD, CA 94520-0000

Policy Period

From: JULY 1, 2019 To: JULY 1, 2020
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Premium Payment

The First Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

Premium Audit

Certain classifications within our rates and rules indicate that premiums calculated therefrom can be significantly affected by large increases or decreases in your business results. Based upon our underwriting review of information provided by you, we may at our discretion perform a premium audit. You may also request such an audit.

If an audit is conducted and additional premiums are due, they are payable upon notice to the First Named Insured. If as a result of an audit the premium paid is greater than the earned premium, we will return the excess to the First Named Insured. The First Named Insured must keep records of the information we need to perform the audit and send us copies at such times as we may request.

Coverage	Rate	Premium
PROPERTY INSURANCE SECTION		\$ 84,920
LIABILITY INSURANCE SECTION		\$ 34,977

Issue Date: JUNE 27, 2019

continued

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Premium Summary *(continued)*

CRIME INSURANCE SECTION

\$ 926

TOTAL

\$ 120,823

If ATD coverage is provided on this policy, additional certificate and handling fees may be imposed during the policy term.

Coverage Premium

Additional certificate and handling fees may be imposed as respects to certification of pressure equipment as mandated by State and/or local jurisdictional authorities.

Payment Plan

This policy premium is being billed as follows. The amounts shown are due and payable as of the dates shown below:

<u><i>Date Payment Due</i></u>	<u><i>Amount Due</i></u>
JULY 1, 2019	\$ 30,205.75
OCTOBER 1, 2019	\$ 30,205.75
JANUARY 1, 2020	\$ 30,205.75
APRIL 1, 2020	\$ 30,205.75

Property Insurance Section

Declarations

Property Insurance

Schedule of Forms

Policy Period JULY 1, 2019 TO JULY 1, 2020
Effective Date JULY 1, 2019
Policy Number 3587-93-82 WUC
Insured CARDIFF MASON DEVELOPMENT

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JUNE 27, 2019

The following is a schedule of forms issued as of the date shown above:

<i>Form Number</i>	<i>Edition Date</i>	<i>Form Name</i>	<i>Effective Date</i>	<i>Date Issued</i>
80-02-0280	7-03	SCHEDULE OF MORTGAGEES/LOSS PAYEES	07/01/19	06/27/19
80-02-0315	1-15	SUPP DEC-IMPAIRMENT OF COMP SERVICES	07/01/19	06/27/19
80-02-0005	1-18	PROPERTY DECLARATIONS	07/01/19	06/27/19
80-02-0210	1-15	PROPERTY SUPPLEMENTARY DECLARATIONS	07/01/19	06/27/19
80-02-0215	7-03	PROPERTY SUPPLEMENTARY DEC.-BUSINESS INCOME	07/01/19	06/27/19
80-02-1000	6-05	BUILDING AND PERSONAL PROPERTY	07/01/19	06/27/19
80-02-1004	7-03	BUSINESS INCOME WITH EXTRA EXPENSE	07/01/19	06/27/19
80-02-1017	7-03	ELECTRONIC DATA PROCESSING PROPERTY	07/01/19	06/27/19
80-02-1018	7-03	EXTRA EXPENSE	07/01/19	06/27/19
80-02-1048	7-03	ACCTS REC, FINE ARTS, MONEY & SEC, VAL PAPERS	07/01/19	06/27/19
80-02-1095	7-03	IMPAIRMENT OF COMPUTER SERVICES-MALICIOUS PGM	07/01/19	06/27/19
80-02-1097	6-05	PROPERTY/BI CONDITIONS & DEFINITIONS	07/01/19	06/27/19
80-02-1315	1-14	SPECIAL EXCLUSION FOR PRODUCTION MACHINERY	07/01/19	06/27/19
80-02-1323	1-16	SUBSIDIARY LIMITS OF INSURANCE	07/01/19	06/27/19
80-02-1351	7-03	PERSONAL PROPERTY OF OTHERS EXCLUDED	07/01/19	06/27/19
80-02-1357	7-03	WATER DEDUCTIBLE OR WAITING PERIOD	07/01/19	06/27/19
80-02-1373	10-06	EXCL. FOR LEAKAGE FROM FIRE PROTECTION EQUIP	07/01/19	06/27/19
80-02-1644	5-04	ELECTRONIC DATA AND PERIL CHANGES	07/01/19	06/27/19
80-02-1658	1-15	CAP ON CERT. TERRORISM LOSSES (ALL PREMISES)	07/01/19	06/27/19
80-02-5250	6-08	ORD OR LAW & EXISTING GREEN STANDARDS LPB	07/01/19	06/27/19
80-02-5310	1-14	MECH. OR ELECT. SYSTEM OR APPARATUS DEF AMEND	07/01/19	06/27/19
80-02-5355	1-15	SPECIAL WAITING PERIOD PROVISION ADDED	07/01/19	06/27/19
80-02-5357	1-15	ADDITIONAL COVG ADDED - PROHIBITION OF ACCESS	07/01/19	06/27/19
99-10-0996	4-18	IMPORTANT NOTICE-NY LOC INSPECTIONS	07/01/19	06/27/19

Schedule of Mortgagees And Loss Payees

**Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889**

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
140 TOWN AND COUNTRY DR STE E
DANVILLE, CA 94526

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0009597

*Incorporated under the laws of
INDIANA*

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
2300 CLAYTON ROAD #300
CONCORD, CA 94520-0000

Policy Period

From: JULY 1, 2019 To: JULY 1, 2020
12:01 A.M . standard time at the Named Insured's mailing address shown above.

SCHEDULE

PREMISES # 1 1828 EGBERT AVE
SAN FRANCISCO, CALIFORNIA 94124
COUNTY OF SAN FRANCISCO

MORTGAGEE: TIAA, FSB, ISAOA
P.O. BOX 703387
DALLAS, TX 75370-3387

LOSS PAYEE: TIAA, FSB, ISAOA
P.O. BOX 703387
DALLAS, TX 75370-3387

PREMISES # 3 3839 N SHEFFIELD AVE
941 W. SHERIDAN ROAD
957 W. SHERIDAN ROAD
CHICAGO, ILLINOIS 60613
COUNTY OF COOK

Premises Summary
(continued)

MORTGAGEE: WELLS FARGO BANK, N.A.
C/O WELLS FARGO BANK, N.A., AS SERVICER
D1118-02W
1525 WEST WT HARRIS BOULEVARD, CHARLOTTE, NC 28262

LOAN #330909672

LOSS PAYEE: WELLS FARGO BANK, N.A.
C/O WELLS FARGO BANK, N.A., AS SERVICER
D1118-02W
1525 WEST WT HARRIS BOULEVARD, CHARLOTTE, NC 28262

LOAN #330909672

PREMISES # 7 2001 N ELSTON AVE
CHICAGO, ILLINOIS 60614
COUNTY OF COOK

MORTGAGEE: WELLS FARGO BANK, N.A.
AS MASTER SERVICER
CMS INSURANCE WEST, D1118-02W
1525 WEST WT HARRIS BOULEVARD, CHARLOTTE, NC 28262

LOAN #975000061

LOSS PAYEE: WELLS FARGO BANK, N.A.
AS MASTER SERVICER
CMS INSURANCE WEST, D1118-02W
1525 WEST WT HARRIS BOULEVARD, CHARLOTTE, NC 28262

LOAN #975000061

Chubb. Insured.™



**Property Insurance
Declarations**

**Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889**

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
140 TOWN AND COUNTRY DR STE E
DANVILLE, CA 94526

Policy Number 3587-93-82 WUC
Effective Date JULY 1, 2019

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0009597
Producer
HUB INTERNATIONAL INSURANCE SERVICES INC.
2300 CLAYTON ROAD #300
CONCORD, CA 94520-0000

*Incorporated under the laws of
INDIANA*

Policy Period: From: JULY 1, 2019 To: JULY 1, 2020
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Deductible \$ 25,000
Waiting Period 24 HOURS
Extended Period UNLIMITED

The information shown above applies to:

- all premises coverages;
- all additional coverages; and
- debris removal coverage,

and all premises shown in this and all other property declarations, unless corresponding specific information is shown as applicable to a specific premises or coverage.

Premises Schedule

1. 1828 EGBERT AVE, SAN FRANCISCO, CA 94124
3. 3839 N SHEFFIELD AVE, 941 W. SHERIDAN ROAD, 957 W. SHERIDAN ROAD, CHICAGO, IL 60613
7. 2001 N ELSTON AVE, CHICAGO, IL 60614
8. 140 TOWN AND COUNTRY DR, STE E, DANVILLE, CA 94526
9. 1550 THE ALAMEDA STE 160, SAN JOSE, CA 95126

Premises Coverages - Blanket Limits

<u>Blanket Number and Coverages</u>	<u>Limits Of Insurance</u>
1. BUILDING	\$ 46,418,640

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Premises Coverages - Blanket Limits (continued)

		<u>Limits Of Insurance</u>
2.	PERSONAL PROPERTY BUSINESS INCOME WITH EXTRA EXPENSE	\$ 10,800,000

Premises Coverages If "Blanket" or "Loss Limit" is shown under Limits Of Insurance as applicable to a Premises, please refer to the "Premises Coverages - Blanket Limits" section or the "Loss Limits Of Insurance" section above to determine the Limit Of Insurance applicable to such Premises. "Blanket" limits are numbered for ease of reference. If a specific limit is shown under Limits Of Insurance for a Premises Coverage, that Limit applies to such coverage, even if a "Blanket" limit applies to other Premises Coverage at such premises.

PREMISES #1 1828 EGBERT AVE
 SAN FRANCISCO, CALIFORNIA 94124

		<u>Limits Of Insurance</u>
	BUILDING	BLANKET 1
	PERSONAL PROPERTY	BLANKET 1
	BUSINESS INCOME WITH EXTRA EXPENSE	BLANKET 2

PREMISES #3 3839 N SHEFFIELD AVE
 941 W. SHERIDAN ROAD
 957 W. SHERIDAN ROAD
 CHICAGO, ILLINOIS 60613

		<u>Limits Of Insurance</u>
	BUILDING	BLANKET 1
	PERSONAL PROPERTY	BLANKET 1
	BUSINESS INCOME WITH EXTRA EXPENSE	BLANKET 2

PREMISES #7 2001 N ELSTON AVE
 CHICAGO, ILLINOIS 60614

		<u>Limits Of Insurance</u>
	BUILDING	BLANKET 1
	PERSONAL PROPERTY	BLANKET 1
	BUSINESS INCOME WITH EXTRA EXPENSE	BLANKET 2

PREMISES #8 140 TOWN AND COUNTRY DR
 STE E
 DANVILLE, CALIFORNIA 94526

		<u>Limits Of Insurance</u>
	PERSONAL PROPERTY	BLANKET 1

PREMISES #9 1550 THE ALAMEDA STE 160
 SAN JOSE, CALIFORNIA 95126

CHUBB®

Premises Coverages
(continued)

PERSONAL PROPERTY

Limits Of Insurance

BLANKET 1

Chubb. Insured.SM

Supplementary Declarations – Impairment Of Computer Services – Malicious Programming*Named Insured and Mailing Address*

CARDIFF MASON DEVELOPMENT
 140 TOWN AND COUNTRY DR STE E
 DANVILLE, CA 94526

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

Issued by the stock insurance company indicated below, herein called the company.

**FEDERAL INSURANCE
 COMPANY**

Producer No. 0009597

*Incorporated under the laws of
 INDIANA*

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
 2300 CLAYTON ROAD #300
 CONCORD, CA 94520-0000

Policy Period

From: JULY 1, 2019 To: JULY 1, 2020
 12:01 A.M. standard time at the Named Insured's mailing address shown above.

The Limits Of Insurance shown below:

- are provided at no additional cost to you;
- apply anywhere within the Coverage Territory; and
- do not apply when the applicable coverage has been excluded as shown in the Declarations or by endorsement to this policy.

You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below. Any applicable deductible will be shown in the Declarations with the coverage. If no deductible is shown in the Declarations with the coverage, then the Property Deductible will apply. Extra Expense is not subject to any deductible.

IMPAIRMENT OF COMPUTER SERVICES – MALICIOUS PROGRAMMING

INSIDE ATTACK	\$ 100,000
OUTSIDE ATTACK – PER OCCURRENCE	\$ 10,000
OUTSIDE ATTACK – ANNUAL AGGREGATE	\$ 50,000



Authorized Representative

Chubb. Insured.™

Supplementary Declarations - Property

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
 140 TOWN AND COUNTRY DR STE E
 DANVILLE, CA 94526

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

Issued by the stock insurance company indicated below, herein called the company.

FEDERAL INSURANCE COMPANY

Producer No. 0009597

Incorporated under the laws of INDIANA

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
 2300 CLAYTON ROAD #300
 CONCORD, CA 94520-0000

Policy Period

From: JULY 1, 2019 To: JULY 1, 2020
 12:01 A.M. standard time at the Named Insured's mailing address shown above.

Covered Premises \$250,000 Blanket Limit Of Insurance

The Blanket Limit Of Insurance shown above applies only for the Premises Coverages shown below. Unless otherwise stated, this Blanket Limit Of Insurance applies separately at each covered premises shown in the Declarations. This Blanket Limit Of Insurance applies in excess of the applicable deductible shown in the Declarations.

At time of loss, the first Named Insured may elect to apportion this Blanket Limit Of Insurance to one or any combination of the Premises Coverages shown, but under no circumstance will the aggregate apportionment be permitted to exceed the Blanket Limit Of Insurance shown above at any one covered premises. For the purpose of the application of this \$250,000 Blanket Limit Of Insurance, all property at one premises shall constitute a single premises.

Separate specific Limits Of Insurance may be purchased for each of these Premises Coverages. If purchased, these Limits Of Insurance and any applicable deductible will be shown in the Declarations with the Premises Coverages. If no deductible is shown in the Declarations with the Premises Coverages, then the Property Deductible will apply. When a specific Limit Of Insurance is purchased for any of these Premises Coverages, such specific Limit Of Insurance will apply in addition to whatever amount the first Named Insured apportions to that coverage at time of loss as provided in the previous paragraphs.

Coverages Included In The Blanket Limit Of Insurance:

ACCOUNTS RECEIVABLE
ELECTRONIC DATA PROCESSING PROPERTY
FINE ARTS
LEASEHOLD INTEREST -
BONUS PAYMENT,
PREPAID RENT,
SUBLEASE PROFIT,
TENANTS' LEASE INTEREST

LEASEHOLD INTEREST - UNDAMAGED
TENANT'S IMPROVEMENTS & BETTERMENTS
NON-OWNED DETACHED TRAILERS
OUTDOOR TREES, SHRUBS, PLANTS OR LAWNS
PAIR AND SET
PERSONAL PROPERTY OF EMPLOYEES
PUBLIC SAFETY SERVICE CHARGES
RESEARCH AND DEVELOPMENT PROPE RTY
VALUABLE PAPERS

Property Coverages

The Limits Of Insurance shown below:

- are provided for the Premises Coverages and Additional Coverages shown at no additional cost to you;
- apply separately at each premises shown in the Declarations, except for the following Additional Coverages which apply anywhere within the Coverage Territory:
 - Any Other Location;
 - Deferred Payments;
 - Exhibition, Fair Or Trade Show;
 - Installation;
 - In Transit; or
 - Mobile Communication Property (greater than 1,000 feet from a premises shown in the Declarations); and
- do not apply when the applicable coverage has been excluded as shown in the Declarations or by endorsement to this policy.

The Limits Of Insurance for:

- Debris Removal; and
- Preparation Of Loss Fees,

apply separately at each premises shown in the Declarations or anywhere within the Coverage Territory.

You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance for any of these coverages, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below. Any applicable deductible will be shown in the Declarations with the coverage. If no deductible is shown in the Declarations with the coverage, then the Property Deductible will apply. Extra Expense Coverage is not subject to any deductible.

Extra expense is subject to the:

- Business Income With Extra Expense contract and Business Income With Extra Expense And Research And Development Income contract if purchased; or
- Extra Expense contract, if the Business Income With Extra Expense contract or Business Income With Extra Expense And Research And Development Income contract is not purchased.

Supplementary Declarations - Property

Effective Date JULY 1, 2019

Policy Number 3587-93-82 WUC

Property Coverages

Limit Of Insurance

ANY OTHER LOCATION

ACCOUNTS RECEIVABLE	\$ 50,000
BUILDING COMPONENTS	\$ 50,000
ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 50,000
PERSONAL PROPERTY	\$ 50,000
RESEARCH AND DEVELOPMENT PROPERTY	\$ 50,000
VALUABLE PAPERS	\$ 50,000

DEBRIS REMOVAL

PREMISES SHOWN IN THE DECLARATIONS	\$ 100,000
ANY OTHER LOCATION	\$ 25,000
IN TRANSIT	\$ 25,000

DEFERRED PAYMENTS

\$ 25,000

EXHIBITION, FAIR OR TRADE SHOW

ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 50,000
PERSONAL PROPERTY	\$ 50,000

EXTRA EXPENSE

\$ 100,000

FUNGUS CLEAN-UP OR REMOVAL

\$ 25,000

INSTALLATION

ANY JOB SITE	\$ 25,000
IN TRANSIT	\$ 25,000

IN TRANSIT

ACCOUNTS RECEIVABLE	\$ 25,000
BUILDING COMPONENTS	\$ 25,000
ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 25,000
PERSONAL PROPERTY	\$ 25,000
VALUABLE PAPERS	\$ 25,000

Property Coverages**Limit Of Insurance**

LOSS OF MASTER KEY	\$ 15,000
LOSS PREVENTION EXPENSES	\$ 15,000
MOBILE COMMUNICATION PROPERTY (GREATER THAN 1,000 FEET FROM A PREMISES SHOWN IN THE DECLARATIONS)	\$ 15,000
MONEY & SECURITIES	
ON PREMISES	\$ 15,000
OFF PREMISES	\$ 15,000
POLLUTANT CLEAN-UP OR REMOVAL	\$ 25,000
PROCESSING WATER	\$ 10,000
PREPARATION OF LOSS FEES	\$ 10,000

The following displays the Coverages and the applicable Limits Of Insurance for:

**Newly Acquired Premises Or Newly Acquired Or
Constructed Property****Limit Of Insurance**

BUILDING	\$2,500,000
PERSONAL PROPERTY	\$ 1,000,000
PERSONAL PROPERTY AT EXISTING PREMISES	\$ 100,000
ELECTRONIC DATA PROCESSING EQUIPMENT	\$ 1,000,000
ELECTRONIC DATA	\$ 50,000
COMMUNICATION PROPERTY	\$ 50,000
FINE ARTS	\$ 25,000

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Property Insurance

Supplementary Declarations - Property

Effective Date JULY 1, 2019

Policy Number 3587-93-82 WUC

You may purchase increased Limits Of Insurance for any of the Newly Acquired Premises or Newly Acquired or Constructed Property Limits Of Insurance shown above and we will charge you an additional premium. If you purchase such increased Limits Of Insurance, the Limits Of Insurance shown in the Declarations will reflect your total limit, including the Limits Of Insurance shown above.



Authorized Representative

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Supplementary Declarations — Business Income

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
 140 TOWN AND COUNTRY DR STE E
 DANVILLE, CA 94526

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

Issued by the stock insurance company
 indicated below, herein called the company.

**FEDERAL INSURANCE
 COMPANY**

Producer No. 0009597

Incorporated under the laws of
 INDIANA

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
 2300 CLAYTON ROAD #300
 CONCORD, CA 94520-0000

Policy Period

From: JULY 1, 2019 To: JULY 1, 2020
 12:01 A.M. standard time at the Named Insured's mailing address shown above.

Additional Business Income Coverages

The Limits Of Insurance shown below are provided for the Premises Coverages and Additional Coverages shown at no additional cost to you. You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance for any of these coverages, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below.

Except for Dependent Business Premises, Any Other Location, Exhibition, Fair or Trade Show and Preparation Of Loss Fees, the Limits Of Insurance shown below apply at each premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations.

The Limit Of Insurance for Dependent Business Premises applies:

- at each of your premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations;
- separately to each **occurrence**, regardless of the number of **dependent business premises** that sustain covered direct physical loss or damage; and
- only if such direct physical loss or damage causes a business income loss (or extra expense loss if Business Income With Extra Expense is purchased) at your premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations,

provided that actual loss for such premises is the direct result of direct physical loss or damage, by a **covered peril**, to the **dependent business premises**.

If you increase the \$100,000 Limit Of Insurance for Dependent Business Premises as provided for in this Supplementary Declarations, such increased Limit Of Insurance:

- will be shown in the Declarations and will reflect your total Dependent Business Premises Limit Of Insurance at the applicable **dependent business premises** shown in the Declarations; and
- is the most we will pay in any one **occurrence** at all premises for which a Limit Of Insurance for Business Income is shown in the Declarations.

The Limit Of Insurance for Any Other Location or Exhibition, Fair or Trade Show applies within the Coverage Territory of this policy.

The Limit Of Insurance for Preparation Of Loss Fees applies at each premises shown in the Declarations or anywhere within the Coverage Territory.

Business Income Coverages	Limit Of Insurance
ANY OTHER LOCATION	\$ 25,000
CONTRACTUAL PENALTIES	\$ 10,000
DEPENDENT BUSINESS PREMISES	\$ 100,000
EXHIBITION, FAIR OR TRADE SHOW	\$ 10,000
PREPARATION OF LOSS FEES	\$ 10,000
INGRESS & EGRESS	\$ 25,000
LOSS OF UTILITIES	\$ 15,000
POLLUTANT CLEAN-UP OR REMOVAL	\$ 10,000

The following displays the coverage and the applicable Limit Of Insurance provided for each newly acquired premises:

Newly Acquired Premises	Limit Of Insurance
BUSINESS INCOME	\$ 100,000

Authorized Representative



Chubb. Insured.™

Property Insurance

Building And Personal Property

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Liability Insurance Section

Declarations

Liability Insurance

Schedule of Forms

Policy Period JULY 1, 2019 TO JULY 1, 2020
Effective Date JULY 1, 2019
Policy Number 3587-93-82 WUC
Insured CARDIFF MASON DEVELOPMENT

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JUNE 27, 2019

The following is a schedule of forms issued as of the date shown above:

<i>Form Number</i>	<i>Edition Date</i>	<i>Form Name</i>	<i>Effective Date</i>	<i>Date Issued</i>
80-02-2303	4-01	ADD'L INSURED-MORTGAGEE, ASSIGNEE, OR RECEIVER	07/01/19	06/27/19
80-02-6541	3-05	CONDITION - PREMIUM AUDIT	07/01/19	06/27/19
80-02-2367	5-07	ADDL INSURED-SCHEDULED PERSON OR ORGANIZATION	07/01/19	06/27/19
80-02-0010	4-94	LIABILITY DECLARATIONS	07/01/19	06/27/19
80-02-2000	4-01	GENERAL LIABILITY	07/01/19	06/27/19
80-02-2010	4-94	NON-OWNED AND HIRED CAR LIABILITY	07/01/19	06/27/19
80-02-2012	6-98	EMPLOYEE BENEFITS ERRORS OR OMISSIONS	07/01/19	06/27/19
80-02-2307	4-01	ADD'L INSURED-STATE/POL.SUBDIV.-PREM.PERMITS	07/01/19	06/27/19
80-02-2328	4-01	CUMIS - CALIFORNIA	07/01/19	06/27/19
80-02-2373	4-94	99999 07/19 CONTINUATION OF FORM 80-02-2307	07/01/19	06/27/19
80-02-2394	4-01	EXCLUSION - LEAD	07/01/19	06/27/19
80-02-2651	4-01	CUMIS - CALIFORNIA	07/01/19	06/27/19
80-02-2668	8-01	EXCL. BIOLOGICAL AGENTS, TOTAL	07/01/19	06/27/19
80-02-6328	3-02	DESIGNATED PREMISES LIMITATION	07/01/19	06/27/19
80-02-6329	3-02	SELF STORAGE OWNERS BROADENING ENDORSEMENT	07/01/19	06/27/19
80-02-6403	1-15	CAP ON CERTIFIED TERRORISM LOSSES	07/01/19	06/27/19
80-02-6428	8-04	EXCLUSION-PROFESSIONAL LIABILITY, TOTAL	07/01/19	06/27/19
80-02-6528	1-13	EXCL-INFO LAWS INCL UNAUTH OR UNSOLIC COMMUN	07/01/19	06/27/19
80-02-6554	3-17	PER LOC/PROJECT LIMITS WITH COMB TOTAL AGGREG	07/01/19	06/27/19
80-02-6566	4-04	EXCLUSION - ASBESTOS	07/01/19	06/27/19
80-02-6595	5-06	DEDUCTIBLES	07/01/19	06/27/19
80-02-8290	5-10	EXCL - INTELLECTUAL PROPERTY LAWS OR RIGHTS	07/01/19	06/27/19
80-02-8422	4-12	EXCLUSION - POLLUTION	07/01/19	06/27/19
80-02-8423	4-12	EXCLUSION - LOSS OF USE ELECTRONIC DATA	07/01/19	06/27/19
80-02-8425	1-14	EXCL-ALCOHOLIC BEVERAGE TYPE BUSINESSES	07/01/19	06/27/19
80-02-8559	3-17	EXCL-ACCESS/DISCLOSE CONFID. PERS INFO.-AI/PI	07/01/19	06/27/19
80-02-8635	11-17	COV-PROD WITHDRWL EXP & CRISIS ASSISTANCE EXP	07/01/19	06/27/19

Declarations

**Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889**

Named Insured and Mailing Address

CARDIFF MASON DEVELOPMENT
140 TOWN AND COUNTRY DR STE E
DANVILLE, CA 94526

Policy Number 3587-93-82 WUC

Effective Date JULY 1, 2019

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0009597

*Incorporated under the laws of
INDIANA*

Producer HUB INTERNATIONAL INSURANCE SERVICES INC.
2300 CLAYTON ROAD #300
CONCORD, CA 94520-0000

Policy Period

From: JULY 1, 2019 To: JULY 1, 2020
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Liability Coverage

Limit Of Insurance

GENERAL LIABILITY

GENERAL AGGREGATE LIMIT (PRODUCTS AND COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE)	\$ 2,000,000
EACH OCCURRENCE LIMIT	\$ 1,000,000
ADVERTISING INJURY AND PERSONAL INJURY AGGREGATE LIMIT	\$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 1,000,000
MEDICAL EXPENSES LIMIT	\$ 10,000

NON-OWNED AND HIRED CAR LIABILITY

EACH OCCURRENCE LIMIT	\$ 1,000,000
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Liability Coverage
(continued)**Limit Of Insurance****EMPLOYEE BENEFITS ERRORS OR OMISSIONS**

AGGREGATE LIMIT	\$ 1,000,000	
EACH CLAIM LIMIT	\$ 1,000,000	
DEDUCTIBLE - EACH CLAIM		\$ 1,000
RETROACTIVE DATE		JULY 1, 2008

RATING INFORMATION**STATE: CALIFORNIA**

COVERAGE NAME:

PREM/OPS

CLASSIFICATION CODE NUMBER:

18991

CLASSIFICATION DESCRIPTION:

WAREHOUSES - MINI WAREHOUSE

(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)

PREMIUM BASIS:

GROSS SALES:

\$2,640,000

RATE:

3.409

COVERAGE NAME:

PREM/OPS

CLASSIFICATION CODE NUMBER:

49451

CLASSIFICATION DESCRIPTION:

VACANT LAND - INCL. PCO - (FOR PROFIT)

(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)

PREMIUM BASIS:

ACRES:

1

RATE:

3.000

COVERAGE NAME:

PREM/OPS

CLASSIFICATION CODE NUMBER:

61224

CLASSIFICATION DESCRIPTION:

BLDG/PREM-OFF/PRMS PRIMARILY OCC BY EMPL OF INS-(FOR PROFIT)

(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)

PREMIUM BASIS:

AREA:

1,395

RATE:

128.315

Declarations

Effective Date JULY 1, 2019
Policy Number 3587-93-82 WUC

Liability Coverage
(continued)

COVERAGE NAME:
 PREM/OPS
 CLASSIFICATION CODE NUMBER: 61224
 CLASSIFICATION DESCRIPTION:
 BLDG/PREM-OFF/PRMS PRIMARILY OCC BY EMPL OF INS-(FOR PROFIT)
 (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)
 PREMIUM BASIS:
 AREA: 1,015
 RATE: 99.507

STATE: ILLINOIS

COVERAGE NAME:
 PREM/OPS
 CLASSIFICATION CODE NUMBER: 18991
 CLASSIFICATION DESCRIPTION:
 WAREHOUSES - MINI WAREHOUSE
 (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)
 PREMIUM BASIS:
 GROSS SALES: \$1,320,000
 RATE: 6.964

COVERAGE NAME:
 PREM/OPS
 CLASSIFICATION CODE NUMBER: 18991
 CLASSIFICATION DESCRIPTION:
 WAREHOUSES - MINI WAREHOUSE
 (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)
 PREMIUM BASIS:
 GROSS SALES: \$1,440,000
 RATE: 6.964

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Liability Coverage (continued)

COVERAGE NAME:
PREM/OPS
CLASSIFICATION CODE NUMBER: 49451
CLASSIFICATION DESCRIPTION:
VACANT LAND - INCL. PCO - (FOR PROFIT)
(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)
PREMIUM BASIS:
ACRES: 1
RATE: 7.000

COVERAGE NAME:
PREM/OPS
CLASSIFICATION CODE NUMBER: 49451
CLASSIFICATION DESCRIPTION:
VACANT LAND - INCL. PCO - (FOR PROFIT)
(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)
PREMIUM BASIS:
ACRES: 2
RATE: 7.000

COVERAGE NAME:
PREM/OPS
CLASSIFICATION CODE NUMBER: 49451
CLASSIFICATION DESCRIPTION:
VACANT LAND - INCL. PCO - (FOR PROFIT)
(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)
PREMIUM BASIS:
ACRES: 1
RATE: 7.000

STATE: CALIFORNIA

EMPLOYEE BENEFITS

CLASSIFICATION CODE NUMBER: 00176
CLASSIFICATION DESCRIPTION:
EMPLOYEE BENEFITS E&O
PREMIUM BASIS:
NUMBER OF EMPLOYEES: 19
RATE: 0.211

Declarations

Effective Date JULY 1, 2019
Policy Number 3587-93-82 WUC

Liability Coverage
(continued)

EMPLOYERS NON-OWNED

CLASSIFICATION CODE NUMBER: 00180
CLASSIFICATION DESCRIPTION:
 EMPLOYER'S NON-OWNED - CORPORATIONS
PREMIUM BASIS:
 NUMBER OF EMPLOYEES: IF ANY
RATE: 3.694

HIRED CAR

CLASSIFICATION CODE NUMBER: 00181
CLASSIFICATION DESCRIPTION:
 HIRED CAR
PREMIUM BASIS:
 COST OF HIRE: IF ANY
RATE: 2.834

HIRED CAR

CLASSIFICATION CODE NUMBER: 00181
CLASSIFICATION DESCRIPTION:
 HIRED CAR
PREMIUM BASIS:
 COST OF HIRE: IF ANY
RATE: 2.056

EXHIBIT I

Form of Joint Escrow Instructions

JOINT ESCROW INSTRUCTIONS

THESE JOINT ESCROW INSTRUCTIONS (this "Agreement"), dated as of [REDACTED], 2019 (the "Effective Date"), is made by and among SAN FRANCISCO SELF STORAGE III, LLC, a Delaware limited liability company, having an address at 1550 The Alameda, Suite 160, San Jose, CA 95126 ("Seller"), CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, having an address c/o Real Estate Division, 25 Van Ness Avenue, Suite 400, San Francisco, CA 94102 ("City"), and CHICAGO TITLE COMPANY, a California corporation, having an address at One Embarcadero Center, Suite 250, San Francisco CA 94111 ("Escrow Agent").

WITNESSETH

WHEREAS, Seller and City entered into that certain Agreement of Purchase and Sale of Real Estate, dated as of [REDACTED], 2019 (the "Purchase Agreement"), pursuant to which Seller agreed to sell, and City agreed to purchase, upon and subject to the terms of the Purchase Agreement, the Property (as defined in the Purchase Agreement);

WHEREAS, Seller and City have agreed, pursuant to the terms of the Purchase Agreement that a portion of the Purchase Price in an amount equal to Five Million Dollars (\$5,000,000.00) (together with all interest thereon, if any, the "Holdback Amount") shall be placed in escrow with Escrow Agent in an interest-bearing account ("Holdback Escrow Account") in order to secure Seller's performance of the Obligations (as defined in that certain Permit to Use City Property of even date herewith (the "Lease") and Escrow Agent has agreed to hold the Holdback Amount in escrow and disburse the proceeds thereof pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of these premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City, Seller and Escrow Agent agree as follows:

1. Recitals Incorporated; Defined Terms; Lease. The recitals set forth hereinabove in this Agreement are hereby incorporated into this Agreement as if fully set forth herein. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the Lease. A copy of the Lease is attached hereto as Exhibit A.

2. Deposit of Holdback Amount. Seller has, on the date hereof, deposited the Holdback Amount with Escrow Agent in escrow and Escrow Agent acknowledges receipt thereof.

3. Release of Holdback Amount. The Holdback Amount, and all interest accrued thereon, shall be disbursed:

a. in full to Seller in the event Seller provides a Completion Certificate (as defined in the Lease) or other written notice to Escrow Agent including a certification that the Obligations have been satisfied on or before [[_____, 2020]] (the “Outside Date”) **Note to Drafter: Insert date that is 9 months after the closing.**];

b. in an amount equal to the Partial Release (as defined in the Lease) to Seller in the event Seller provides a Partial Completion Certificate (as defined in the Lease) executed by Seller and City or other written notice executed by Seller and City to Escrow Agent including a certification that the Obligations have been satisfied other than Punch List (as defined in the Lease) items on or before the Outside Date;

c. in an amount equal to the Balance (as defined in the Lease) to Seller in the event Seller provides a Punch List Completion Certificate (as defined in the Lease) executed by Seller and City or other written notice executed by Seller and City to Escrow Agent including a certification that all Punch List items have been completed on or before the date that is thirty (30) days after the Outside Date;

d. in an amount equal to the Balance to City in the event City provides a Punch List Failure Certificate (as defined in the Lease) executed by City and Seller or other written notice executed by City and Seller to Escrow Agent including a certification that not all of the Punch List items have been completed on or before the date that is thirty (30) days after the Outside Date; or

e. subject to the notice requirements of the following paragraph, in full to City if the requirements of Sections 3(a) or (b) are not satisfied on or before the Outside Date, as may be extended to the Punch List Cutoff Date (as defined in the Lease) in accordance with the Lease, or as otherwise set forth in a writing signed by both Seller and the City.

Except in the case of a Completion Certificate, Partial Completion Certificate, Punch List Completion Certificate (in each case jointly executed by Seller and City), or other jointly-executed written instructions (in which case the Escrow Agent shall within one (1) business day disburse the Holdback Amount in accordance with such jointly-executed written instructions), Escrow Agent shall provide a copy of any request for a release of the Holdback Funds to the non-claiming party, and provided such non-claiming party does not deliver written good faith objection to such request within ten (10) business days of receipt thereof, Escrow Agent shall promptly disburse the Holdback Amount to the requesting party. If the non-claiming shall so object to such request for the release of the Holdback Amount within such ten (10) business day period, which notice shall state in reasonable detail the basis of such objection, then Escrow Agent shall continue to hold the requested portion of the Holdback Amount in escrow in accordance with the terms of this Agreement until (a) Seller or City has again delivered a demand for release in accordance with this Section 3 and other party has not made a timely good faith objection thereto in accordance with this Section 3; (b) such dispute is resolved pursuant to the

entry of a final non-appealable order of a court of competent jurisdiction; or (c) Seller and City jointly direct Escrow Agent to disburse the Holdback Amount in writing.

4. Escrow Provisions. The following terms and conditions shall apply to the Holdback Amount:

a. Escrow Agent shall deposit the Holdback Amount in an interest bearing escrow account in a federally insured institution for the benefit of Seller and City. For purposes of opening such account, Escrow Agent shall utilize the Tax Identification Number of Seller. It is agreed that:

i. the duties of Escrow Agent are only as herein specifically provided and are purely ministerial in nature, and Escrow Agent shall incur no liability whatever except for its own willful misconduct or gross negligence; in the performance of its duties hereunder, Escrow Agent shall be entitled to rely upon any document, instrument or signature believed by it in good faith to be genuine and signed by either of the other parties hereto or their successors; Escrow Agent may assume, so long as it is acting in good faith, that any person purporting to give any notice of instructions in accordance with the provisions hereof has been duly authorized to do so; Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless in writing and signed by Escrow Agent, Seller and City; Seller and City shall jointly and severally reimburse and indemnify Escrow Agent for, and hold it harmless against, any and all loss, liability, costs or expenses in connection herewith, including reasonable attorneys' fees and disbursements, incurred without willful misconduct or gross negligence on the part of Escrow Agent arising out of or in connection with its acceptance of, or the performance of its duties and obligations under, this Agreement, as well as the reasonable costs and expenses of defending against any claim or liability arising out of or relating to this Agreement; and

ii. Seller and City hereby release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of its duties hereunder.

b. Escrow Agent is acting as a stake-holder only with respect to the Holdback Amount. If there is any dispute as to whether Escrow Agent is obligated to deliver all or any portion of the Holdback Amount or as to whom the proceeds of the Holdback Amount are to be delivered, Escrow Agent shall not be required to make any delivery, but in such event Escrow Agent shall hold the Holdback Amount until receipt by Escrow Agent of an authorization in writing, signed by all of the parties having any interest in such dispute, directing the disposition of the Holdback Amount, or, in the absence of such authorization, Escrow Agent may hold the Holdback Amount, until the final determination of the rights of the parties pursuant to the entry of a final, non-appealable order of a court of

competent jurisdiction. If such written authorization is not given, or proceedings for such determination have not begun within thirty (30) days after the date Escrow Agent received written notice of such dispute, and thereafter diligently continued, Escrow Agent may, but is not required to, bring an appropriate action or proceeding for leave to deposit the Holdback Amount in court, pending such determination. Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding including, without limitation, reasonable attorneys' fees and disbursements, by the party determined not to be entitled to the Holdback Amount, or if the remaining portion of the Holdback Amount is split between the parties hereto, such costs of the Escrow Agent shall be split, pro rata, between Seller and City, in inverse proportion to the amount of such remaining portion of the Holdback Amount received by each. Upon making delivery of the Holdback Amount, in the manner provided in this Agreement, Escrow Agent shall have no further liability hereunder. By execution of this Agreement, Escrow Agent hereby acknowledges and agrees that notwithstanding anything to the contrary contained in this Agreement, Escrow Agent shall not take any action whatsoever with respect to the Holdback Amount unless (A) Escrow Agent is directed to take such action by written notice executed by both City and Seller, (B) Escrow Agent is directed to take such action by a court of competent jurisdiction by order that is not subject to appeal, or (C) as provided in Sections 3 and/or 4 of this Agreement.

c. Escrow Agent's fees for performing the tasks under this Agreement, assuming no dispute between Seller and City relating to disbursements, have been paid in advance by Seller and will not be paid out of the Holdback Amount.

5. Notices. All notices, demands or requests made pursuant to, in connection with, under or by virtue of this Agreement (in each case, a "Notice") must be (a) in writing and sent simultaneously to both the Escrow Agent and to the other party to this Agreement by nationally recognized overnight courier or delivered by hand with receipt acknowledged in writing or (b) by electronic mail (provided that any Notice sent by electronic mail shall also require a duplicate copy sent by the method set forth in clause (a) above), as follows:

City: Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 1828 Egbert Avenue
415.554.9050

with copy to: Dennis J. Herrera, City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate/Finance

Re: 1828 Egbert Avenue

Seller: San Francisco Self Storage III, LLC
1550 The Alameda, Suite 160
San Jose, CA 95126
Attn: John Mason

with a copy to: Mintz, Levin, Cohn, Ferris, Glovsky and
Popeo, P.C.
666 Third Avenue
New York, NY 10017
Attn: Jeffrey A. Moerdler, Esq.

And

Reuben, Junius & Rose LLP
One Bush Street
Suite 600
San Francisco, CA 94104
Attn: Kevin Rose, Esq.

Escrow Holder Chicago Title Company
One Embarcadero Center, Suite 250
San Francisco CA 94111
Re: Escrow No. : _____

All Notices (i) shall be deemed given upon the date of delivery if delivery is made before 5:00 PM (San Francisco time) and, if delivered later, on the next business day after delivery of such Notice or the date of refusal to accept delivery of such Notice and (ii) may be given either by a party hereto or by such party's attorney set forth above. The address for Notices to any party may be changed by such party by a written Notice served in accordance with this Article.

6. Entire Agreement; Counterparts. This Agreement (together with the Lease, as between Seller and the City) constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be modified or amended in any manner other than by written agreements executed by the parties hereto. This Agreement may be executed in multiple counterparts, each of which will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement. Each party (i) has agreed to permit the use of signatures sent via electronic mail in PDF format, in order to expedite the transaction contemplated by this Agreement, (ii) intends to be bound by its signature sent via electronic mail, (iii) is aware that the other party will rely on its signature sent via electronic mail, and (iv) acknowledges such reliance and waives any defenses to the enforcement of the documents effecting the transaction contemplated by this Agreement based on the fact that a signature was sent by electronic mail.

7. Governing Law, etc. This Agreement and the rights and obligations of the parties to this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California, exclusive of the conflict of laws principles of such state.

[Signature Page Immediately Follows]

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

SELLER:

SAN FRANCISCO SELF STORAGE III LLC,
a Delaware limited liability company

By: _____

Its: _____

Date: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

ANDRICO Q. PENICK
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____

Deputy City Attorney

The undersigned has executed this Agreement solely to confirm its acceptance of the duties of the Escrow Agent and receipt of the Holdback Amount.

**CHICAGO TITLE
COMPANY**

By: _____

Is: _____

Date: _____

EXHIBIT A

Lease

[See Attached]