

1296 SHOTWELL STREET, SAN FRANCISCO, CALIFORNIA
PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

between

THOMAS F. MURPHY AND MARTINA MURPHY,
TRUSTEES OF THE MURPHY TRUST UDT DATED OCTOBER 03, 2003

as **“SELLER”**,

and

2558 MISSION LLC,
a California limited liability company

as **“PURCHASER”**

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”) is dated for reference purposes only as of September 29, 2011 and is by and between THOMAS F. MURPHY AND MARTINA MURPHY, TRUSTEES OF THE MURPHY TRUST UDT DATED OCTOBER 03, 2003 (“**Seller**”), and 2558 MISSION LLC, a California limited liability company (“**Purchaser**”) or its permitted assignee as provided in Section 10.1 (b). The effective date of this Agreement (“**Effective Date**”) is the day on which this Agreement is executed by both Seller and Purchaser. This Agreement is made with reference to the following facts:

A. Seller owns the land and improvements commonly known as 1296 Shotwell Street, San Francisco, California, identified as Assessor’s Parcel 6571-026, which includes buildings and other improvements totaling approximately 10,700 square feet.

B. Seller has agreed to sell to Purchaser and Purchaser has agreed to buy from Seller the Property hereafter described in this Agreement in accordance with and upon satisfaction of the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

PURCHASE AND SALE

1.1 Agreement of Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, the following:

(a) that certain tract or parcel of land situated in the City and County of San Francisco, California which is commonly known as 1296 Shotwell Street, San Francisco, California and is more particularly described in Exhibit A attached hereto and made a part hereof, together with all rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (the property described in clause (a) of this Section 1.1 being herein referred to collectively as the “**Land**”);

(b) the buildings, structures, fixtures and other improvements (with respect to fixtures and other improvements, only to the extent owned by Seller) affixed to or located on the Land, (the property described in clause (b) of this Section 1.1 being herein referred to collectively as the “**Improvements**”);

(c) the personal property owned by Seller and located on the Real Property (hereafter defined) and/or used in the operation of the Property (as hereafter defined), (the

property described in clause (c) of this Section 1.1 being herein referred to collectively as the “**Personal Property**”); and

(d) any and all of Seller’s right, title and interest in and to (i) all assignable permits, licenses, approvals, authorizations, and entitlements issued by any governmental authority in connection with the Property, (ii) all assignable fees and deposits paid in connection with the development, proposed redevelopment, leasing and operation of the Property, (iii) all assignable drawings, plans and specifications and due diligence studies pertaining to the development and/or redevelopment of the Property, (iv) all building and trade names associated with the Property, and (v) all contracts and leases affecting the occupancy and/or operation of the Property which are expressly approved by Purchaser (the property described in clause (d) of this Section 1.1 being herein referred to collectively as the “**Intangibles**”).

1.2 Property Defined. The Land and the Improvements are sometimes herein referred to collectively as the “**Real Property.**” The Land, the Improvements, the Personal Property and the Intangibles are sometimes herein referred to collectively as the “**Property.**”

1.3 Purchase Price. Seller shall sell and Purchaser shall purchase the Property for a purchase price of [REDACTED] Dollars ([REDACTED]) (the “**Purchase Price**”).

1.4 Deposit.

(a) Within five (5) business days after the Effective Date (the “**Initial Deposit Due Date**”), Purchaser shall deposit with the Title Company (hereafter defined) the sum of Seventy-five Thousand Dollars (\$75,000.00) (the “**Initial Deposit**”) in good funds, either by certified bank or cashier’s check or by federal wire transfer.

(b) The Initial Deposit and, if and when made pursuant hereto, the Extension Payments (as provided in Section 3.3 of this Agreement) together with all interest earned on the Initial Deposit and the Extension Payments are hereinafter referred to as the “**Deposit**” and shall be applied, credited and, if applicable, refunded or not refunded to Purchaser as provided in this Agreement.

(c) Until such time as the Deposit or portions thereof are transferred to the Seller Escrow Account, (i) the Title Company shall hold the Deposit in an interest-bearing account reasonably acceptable to Seller and Purchaser and in accordance with the terms and conditions of this Agreement and (ii) all interest earned on the Deposit shall be credited to the account of and deemed income of Purchaser; following transfer to the Seller Escrow Account, interest thereafter earned on the portions of the Deposit so transferred shall accrue to Seller. The Deposit shall be credited to Purchaser towards the Purchase Price at the Closing (as defined in Section 4.1). The failure of Purchaser to timely deliver any Deposit when due hereunder shall be a material default, and shall entitle Seller, at Seller’s sole option, to terminate this Agreement immediately. Notwithstanding the foregoing, the Deposit shall be refundable or non-refundable to Purchaser as and to the extent expressly provided in this Agreement.

1.5 Release and Distribution of Initial Deposit. Until the expiration of the Initial Due Diligence Period (hereafter defined) the Initial Deposit and all interest earned thereon shall be refundable in full to Purchaser should this Agreement terminate for any reason. Upon expiration of the Initial Due Diligence Period if Purchaser has not terminated this Agreement as provided in this Agreement and if Seller is not then in default under this Agreement, the Initial Deposit and all interest earned thereon (i) shall become non-refundable to Purchaser except as expressly provided in Section 1.11 of this Agreement, (ii) shall remain applicable to the Purchase Price at Closing as hereinabove provided, and (iii) shall be transferred to the “**Seller Escrow Account**” as follows:

First American Title Insurance Company
100 Spear Street, Suite 1600
San Francisco, CA 94105
Attention: Kimberleigh Toci, Senior Commercial Escrow
Officer
Escrow Number: _____

1.6 Deposit as Liquidated Damages.

(a) **IN THE EVENT THAT THIS AGREEMENT DOES NOT TERMINATE ON OR BEFORE THE EXPIRATION OF THE INITIAL DUE DILIGENCE PERIOD, FROM AND AFTER THE EXPIRATION OF THE INITIAL DUE DILIGENCE PERIOD, IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO A DEFAULT OF PURCHASER HEREUNDER AND SELLER IS NOT IN DEFAULT HEREUNDER, THE DEPOSIT SHALL BE LIQUIDATED DAMAGES TO SELLER AS PROVIDED BELOW AND PURCHASER HEREBY IRREVOCABLY DIRECTS ESCROW HOLDER, IF NOT PREVIOUSLY RELEASED TO SELLER PURSUANT TO THIS AGREEMENT, TO IMMEDIATELY PAY THE DEPOSIT TO SELLER AS LIQUIDATED DAMAGES AND, EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6.4, AS SELLER’S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT, AT LAW OR IN EQUITY, AS A RESULT OF SUCH PURCHASER DEFAULT. IN CONNECTION WITH SUCH PAYMENT, ALL AMOUNTS OF THE DEPOSIT PREVIOUSLY DISTRIBUTED TO SELLER OR PAID OUT OF ESCROW PURSUANT TO THE TERMS OF THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN DISTRIBUTED TO SELLER IN SATISFACTION OF THIS LIQUIDATED DAMAGES PROVISION.**

(b) **THE PARTIES ACKNOWLEDGE THAT SELLER’S ACTUAL DAMAGES IN THE EVENT THAT THE SALE IS NOT CONSUMMATED DUE TO A DEFAULT OF PURCHASER AND SELLER IS NOT IN DEFAULT HEREUNDER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY SEPARATELY INITIALING THIS SECTION, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES’ REASONABLE ESTIMATE OF SELLER’S DAMAGES AND AS SELLER’S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT, AT LAW OR IN EQUITY, AGAINST PURCHASER IN THE EVENT**

THE CLOSING (AS DEFINED IN SECTION 4.1) DOES NOT OCCUR DUE TO A DEFAULT OF PURCHASER AND SELLER IS NOT IN DEFAULT HEREUNDER. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL THIS SECTION LIMIT THE DAMAGES RECOVERABLE BY EITHER PARTY AGAINST THE OTHER PARTY DUE TO THE OTHER PARTY'S OBLIGATION TO INDEMNIFY SUCH PARTY IN ACCORDANCE WITH THIS AGREEMENT. PURCHASER AND SELLER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE ABOVE PROVISION COVERING LIQUIDATED DAMAGES, AND THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS EXECUTED. SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY PURCHASER TO CONSUMMATE THE SALE INCLUDING, WITHOUT LIMITATION, ANY AND ALL BENEFITS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 3389.

Seller's Initials



Purchaser's Initials _____

1.7 Payment of Purchase Price. The Purchase Price shall be paid at the Closing. At such time as is required by the Escrow Holder for Closing to occur on the Closing Date, Purchaser shall deposit with Escrow Holder, in good funds, the balance of the Purchase Price reduced or increased by such amounts as are required to take into account any prorations, credits, costs or other adjustments which are required by this Agreement and which can be computed and determined as of the time for the required deposit hereunder.

1.8 Assumed Liabilities. Except as expressly set forth in this Agreement, Purchaser shall not assume in connection with the transactions contemplated hereby any claim, cause of action, loss, damage, fine, judgment, cost, attorney's fee, liability or obligation (collectively, "Claims") of Seller whatsoever, and Seller shall retain responsibility for all Claims accrued or incurred prior to Closing and all Claims arising from Seller's ownership of the Property prior to Closing. The provisions of this Section 1.8 shall survive the Closing.

1.9 Title Company.

(a) Within two (2) business days after the Effective Date, the parties hereto shall deposit an executed counterpart of this Agreement with Title Company and this Agreement shall serve as instructions to Title Company for consummation of the purchase contemplated hereby. Seller and Purchaser shall execute such supplemental escrow instructions as may be appropriate to enable Title Company to comply with the terms of this Agreement, provided such supplemental escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions signed by Purchaser and Seller, as between Purchaser and Seller, the terms of this Agreement shall control. Title Company shall hold and dispose of the funds and instruments delivered into escrow in accordance with the terms of this Agreement. Seller and Purchaser agree that the duties of the Title Company hereunder are purely ministerial in nature and shall be expressly limited to the matters set forth in this

THE CLOSING (AS DEFINED IN SECTION 4.1) DOES NOT OCCUR DUE TO A DEFAULT OF PURCHASER AND SELLER IS NOT IN DEFAULT HEREUNDER. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL THIS SECTION LIMIT THE DAMAGES RECOVERABLE BY EITHER PARTY AGAINST THE OTHER PARTY DUE TO THE OTHER PARTY'S OBLIGATION TO INDEMNIFY SUCH PARTY IN ACCORDANCE WITH THIS AGREEMENT. PURCHASER AND SELLER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE ABOVE PROVISION COVERING LIQUIDATED DAMAGES, AND THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS EXECUTED. SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY PURCHASER TO CONSUMMATE THE SALE INCLUDING, WITHOUT LIMITATION, ANY AND ALL BENEFITS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 3389.

Seller' Initials _____

Purchaser's Initials NDW/MS

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1.8 Assumed Liabilities. Except as expressly set forth in this Agreement, Purchaser shall not assume in connection with the transactions contemplated hereby any claim, cause of action, loss, damage, fine, judgment, cost, attorney's fee, liability or obligation (collectively, "Claims") of Seller whatsoever, and Seller shall retain responsibility for all Claims accrued or incurred prior to Closing and all Claims arising from Seller's ownership of the Property prior to Closing. The provisions of this Section 1.8 shall survive the Closing.

1.9 Title Company.

(a) Within two (2) business days after the Effective Date, the parties hereto shall deposit an executed counterpart of this Agreement with Title Company and this Agreement shall serve as instructions to Title Company for consummation of the purchase contemplated hereby. Seller and Purchaser shall execute such supplemental escrow instructions as may be appropriate to enable Title Company to comply with the terms of this Agreement, provided such supplemental escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions signed by Purchaser and Seller, as between Purchaser and Seller, the terms of this Agreement shall control. Title Company shall hold and dispose of the funds and instruments delivered into escrow in accordance with the terms of this Agreement. Seller and Purchaser agree that the duties of the Title Company hereunder are purely ministerial in nature and shall be expressly limited to the matters set forth in this

Agreement. As used in this Agreement the terms “**Title Company**”, “**Escrow Holder**” and “**Escrow**” shall refer to and mean the following:

First American Title Insurance Company
901 Mariners Island Boulevard, Suite 380
San Mateo, CA 94404
Attention: Karen Matsunaga, Senior Commercial
Escrow Officer
Escrow Number: NCS-498418-SM

(b) Title Company shall execute this Agreement solely for the purpose of being bound by the provisions of this Agreement directing action by the Title Company.

1.10 Vacation and Surrender by Current Tenants. Seller has represented to Purchaser that there are currently three (3) tenants of the Property (“**Current Tenants**”). Seller proposes to arrange for the termination of the leases of the Current Tenants, and the vacation and surrender of the portion of the Property leased by the Current Tenants (or to otherwise relocate one or more of the Current Tenants to other property owned by Seller) such that all of such Current Tenants agree to vacate and surrender the portion of the Property leased by them on or before the Closing Date. Seller shall have sixty (60) days from the Effective Date (“**Seller Contingency Date**”) to negotiate and execute agreements with each of the Current Tenants (collectively, “**Relocation Agreements**”), satisfactory to Seller, for (a) a termination of each of the Current Tenant’s leases of the Property and any other possessory or other rights with respect to the Property that the Current Tenants may hold and (b) the vacation and surrender of the portion of the Property leased by such Current Tenants on or before the Closing Date. Seller shall make a good faith, commercially reasonable effort to procure Relocation Agreements from each of the Current Tenants within the above-referenced sixty (60) day period. On or before the Seller Contingency Date, the Seller shall notify Purchaser in writing (“**Seller’s Notice**”) whether Seller and Current Tenants have executed Relocation Agreements. The date on which Seller gives Seller’s Notice shall be referred to in this Agreement as the “**Seller’s Notice Date.**” If the Seller and all Current Tenants have executed Relocation Agreements, Seller’s Notice shall include a certification to Purchaser that each of the Current Tenants is required by their respective Relocation Agreements to vacate and surrender prior to the Closing Date and shall also include a full and complete copy of the executed Relocation Agreements. If the Seller notifies Purchaser that Seller was unable to obtain a Relocation Agreement from each of the Current Tenants, Seller may by Seller’s Notice terminate this Agreement in which event this Agreement shall immediately terminate, the Deposit shall be promptly refunded to Purchaser and the Seller and Purchaser shall have no further obligations pursuant to this Agreement except for those obligations which expressly survive termination. If the Seller fails to give Purchaser a Seller’s Notice in the time and manner provided herein, Purchaser may, by written notice to Seller given on or before the termination of the Initial Due Diligence Period, terminate this Agreement in which event this Agreement shall immediately terminate, the Deposit shall be promptly refunded to Purchaser and the Seller and Purchaser shall have no further obligations pursuant to this Agreement except for those obligations which expressly survive termination. If neither party terminates this Agreement due to Seller's inability to obtain all of the Relocation Agreements, neither Purchaser nor Seller shall have the right thereafter to terminate this Agreement due to Seller's inability to obtain such Relocation Agreements. Purchaser acknowledges that Seller shall have no liability to Purchaser

in the event one or more of the Current Tenants executes and delivers a Relocation Agreement to Seller but then one or more of such Current Tenants fails to vacate and surrender as required by the terms of its Relocation Agreement; provided, Seller acknowledges that a condition to Purchaser's obligation to purchase the Property is that the Property be free of tenancies at Closing, including the tenancy of all of the Current Tenants, and that in the event of a failure of such condition which is not expressly waived by Purchaser, Purchaser shall be entitled to the return of the Deposit.

1.11 Deposit Refund. Notwithstanding anything to the contrary stated elsewhere in this Agreement, the Deposit (which includes interest earned thereon and Extension Payments, if any, made by Purchaser) shall be promptly refunded to Purchaser should the Closing not occur for either of the following reasons: (a) a Seller's Default as defined in Section 6.1 (b); or (b) a failure of any of Purchaser's Conditions (as defined in Section 4.6 below).

ARTICLE 2

TITLE, SURVEY AND FURTHER COVENANTS

2.1 Title Inspection. Seller has, or on or before the Purchaser's deposit of the Initial Deposit will have, delivered to Purchaser (a) any existing surveys of the Property in Seller's possession, and (b) copies of the most recent property tax bills for the Property.

2.2 Liquidated Liens. Seller agrees to remove on or before the Closing any mortgages and/or mechanic's liens shown as exceptions on the Title Report (provided that such mortgages and/or mechanic's liens were not created or caused by Purchaser or as a result of any of Purchaser's Inspections), any judgment liens against the Real Property, and any liens for delinquent taxes, and no such mortgages or liens (collectively, "**Liquidated Liens**") shall be Permitted Exceptions notwithstanding any other provision of this Agreement, nor shall Purchaser be required to formally object to the same except that Purchaser shall be deemed to object to Liquidated Liens.

2.3 Title Examination. Purchaser has ordered a current preliminary title report on the Real Property issued by the Title Company, accompanied by copies of all documents referred to in the report (collectively, the "**Title Report**"). If the Title Report contains any exception or defect not acceptable to Purchaser, in Purchaser's sole discretion, then Purchaser shall deliver to Seller, not later than thirty (30) days after the Seller's Notice Date ("**Purchaser's Title Notice Date**") written notice ("**Purchaser's Title Notice**") of Purchaser's objections. Such written notice shall specifically set forth the nature of Purchaser's objections to title. In the event that on or before the Purchaser's Title Notice Date Purchaser shall fail to object to any matter set forth in the Title Report, such matter shall be deemed to be a "**Permitted Exception**", excluding, however, Liquidated Liens. Seller shall have three (3) business days after receipt of Purchaser's Title Notice ("**Seller's Title Notice Date**") in which to notify Purchaser, in writing ("**Seller's Title Notice**"), whether and how it will resolve Purchaser's objections to title. If Seller shall fail to give Seller's Title Notice on or before the Seller's Title Notice Date, Seller shall be presumed to have elected not to cure or correct any of the matters objected to by Purchaser. If Seller notifies Purchaser in Seller's Title Notice that Seller is unable or unwilling to cure any of Purchaser's objections to title on or before the Closing, or if the manner in which Seller proposes

to resolve any matter objected to by Purchaser is unacceptable to Purchaser, or if Seller is presumed to have elected not to cure any such defects on or before Closing, then, on or before the Initial Contingency Date, Purchaser shall inform Seller in writing that Purchaser has elected one of the following options to be exercised in Purchaser's sole discretion and as Purchaser's sole remedy: (1) to proceed with the purchase and sale transaction described herein in accordance with the terms of this Agreement and accept title to the Property at Closing subject to such defects (in which case such defects shall be deemed Permitted Exceptions) or (2) to terminate this Agreement in which event the Purchaser shall be entitled to an immediate refund by the Escrow Holder of the Deposit, whereupon all rights and liabilities of the parties hereto to each other shall end except for any obligations which expressly survive the termination of this Agreement.

2.4 Permitted Exceptions. The Property shall be conveyed subject to the following matters, which are hereinafter referred to as the "**Permitted Exceptions**": (a) those matters that have been approved by Purchaser in writing as exceptions in the Title Policy (or deemed to have been approved pursuant to the terms of this Agreement); (b) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to adjustment as herein provided; and (c) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Real Property. Notwithstanding anything to the contrary contained in this Agreement, the Permitted Exceptions shall not include, and Seller shall cause to be removed from record at or before the Closing, at Seller's cost, all Liquidated Liens.

2.5 Conveyance of Title. At Closing, Seller shall convey and transfer to Purchaser fee simple title to the Real Property, by execution and delivery of the Deed (as defined in Section 4.2(a) hereof). Evidence of delivery of such title shall be the issuance by the Title Company of the Title Policy covering the Real Property, in the full amount of the Purchase Price, subject only to the Permitted Exceptions. Seller and Purchaser acknowledge that the description of the Land set forth in **Exhibit A** includes an adjacent parcel owned by Seller which is commonly known as 1298 Shotwell Street ("**1298 Parcel**"). Seller believes the 1298 Parcel is a separate legal parcel notwithstanding its inclusion in the legal description of the Land, and that in order for Seller to convey and transfer to Purchaser fee simple title to the Real Property it is necessary to establish a separate legal description for the Land ("**Separate Legal Description**"). Purchaser shall, at Purchaser's sole cost and expense, take all commercially reasonable actions in order to establish the Separate Legal Description prior to the Closing Date; provided, however, in no event shall Purchaser's failure to establish the Separate Legal Description be deemed a Purchaser Default.

2.6 Further Seller Covenants. Provided this Agreement shall not have been terminated, following the expiration of the Initial Due Diligence Period, without the prior written consent of Purchaser (not to be unreasonably withheld, conditioned or delayed), Seller shall not (i) enter into any obligations or agreements affecting the Real Property, or Intangibles which will survive Closing, (ii) create any liens, encumbrances or easements affecting the Real Property, (iii) except as provided in Section 1.10 amend, modify or terminate any lease on the Property which the Purchaser has expressly accepted as a Permitted Exception; (iv) make any alteration of any of the Improvements (except as Seller deems necessary in the ordinary course of business), (v) store, generate or dispose of any hazardous materials at or in the vicinity of the Real Property (for which purpose, the term "**hazardous materials**" means any substance, the use, storage,

generation or disposal of which is regulated by applicable federal or state laws or regulations), or (vi) fail to take such actions as may be reasonably necessary to prevent damage to or the deterioration of the Improvements. At no third-party cost or expense to Seller, Seller shall reasonably and timely cooperate with Purchaser in connection with Purchaser's securing the Separate Legal Description described in Section 2.5 above and in connection with Purchaser's entitlement of the Property for Purchaser's residential project and shall not in any way oppose or impede either such process.

ARTICLE 3

REVIEW OF PROPERTY

3.1 Right of Inspection. Subject to the terms and conditions set forth in this Agreement, from the Effective Date and until the Closing or earlier termination of this Agreement ("**Inspection Period**"), Purchaser may inspect the Property, review the Due Diligence Materials (hereafter defined) and conduct its' due diligence activities for the purpose of ascertaining the physical condition of the Property and the feasibility of Purchaser's purchase and proposed use and development of the Property. Seller agrees that, during the Inspection Period, Seller shall cooperate and provide Purchaser with reasonable and continuing access to the Property. For purposes of certain deadlines under this Agreement the term "**Initial Due Diligence Period**" shall mean the period commencing on the Seller's Notice Date and ending at 5:00 P.M. on the date that is sixty (60) days after the Seller's Notice Date (the "**Initial Contingency Date**") and the term "**Second Due Diligence Period**" shall mean the period commencing on the Seller's Notice Date and ending at 5:00 P.M. on the date that is three hundred sixty-five (365) days after the Seller's Notice Date (the "**Second Contingency Date**"). The Second Due Diligence Period and the Second Contingency Date may be extended by Purchaser as provided in Section 3.3 below.

On or before Purchaser's deposit of the Initial Deposit, Seller shall make all Due Diligence Materials available to Purchaser for Purchaser's review. Thereafter and until the Closing or termination of this Agreement, Seller shall promptly upon receipt thereof make available for Purchaser's review any additional Due Diligence Materials which come into Seller's possession, custody or control. As used herein, the "**Due Diligence Materials**" shall mean all documents, records and files in Seller's possession, custody or control concerning the physical condition, leasing, operation, tenancies, entitlement status, development, use and/or ownership of the Property, including, without limitation, all physical condition reports (including, without limitation all reports respecting soils condition and/or environmental condition), and all Intangibles relating to the Property in Seller's possession but excluding any attorney-client privileged correspondence, Seller's partnership or corporate records, internal memoranda, accounting and tax records and similar proprietary information that does not relate to the operation of the Property; provided, however, that the attorney-client privilege exception above shall not extend to copies of environmental inspections, notices or reports related to the Property. Seller shall cooperate reasonably (and at no cost or expense to Seller) with Purchaser in approaching any consultants or issuers of the Due Diligence Materials to have such materials dated down and reissued to Purchaser provided, however that Purchaser shall pay any costs and expenses with respect to such date down and reissuance.

Seller shall use commercially reasonable efforts to obtain from each current tenant and subtenant, if any, at the Property (“**Tenant**”), on or before twenty (20) days after the Effective Date, an estoppel certificate in the form of Exhibit “E” hereto, (the “**Tenant Estoppel Certificate**”) and in substance reasonably satisfactory to Purchaser. Seller shall also use commercially reasonable efforts to obtain from each Tenant, if any, then occupying or leasing any portion of the Property, an additional Tenant Estoppel Certificate signed by the Tenant and dated within twenty (20) days prior to the final Closing Date. At Closing the Property shall be delivered to Purchaser free and clear of all tenancies and persons in possession of any portion of the Property.

During the Inspection Period, during ordinary business hours and one (1) business days' notice (which notice may be by e-mail), Purchaser and Purchaser's agents, employees, consultants or contractors shall have the right, at Purchaser's sole cost and expense, to conduct physical inspections of the Property, and to conduct any environmental, engineering, geologic, use, development or other feasibility tests and studies that Purchaser chooses to perform. Purchaser, at all times, will conduct all inspections and reviews in compliance with all applicable laws, and in a manner so as to not cause damage, loss, cost or expense to Seller or the Property. Purchaser shall have the right to perform invasive testing of the Property with Seller's prior written consent, which consent shall not be unreasonably withheld or delayed but may be subject to reasonable conditions imposed by Seller. In connection with any such invasive testing, promptly following Purchaser's receipt of a written report related to such inspection, Purchaser shall deliver to Seller, without representation or warranty, a true and complete copy of the report. Immediately upon the completion of any physical inspection of the Property, Purchaser shall at its sole cost and expense cause any portion of the Property damaged or altered by or in connection with such inspection to be repaired and/or restored to the condition it was in prior to the inspection; provided, Purchaser shall not disturb any tenants of the Property while performing said inspections. Prior to entering the Property (and on each and every occasion), Purchaser shall (a) deliver to Seller prior notice (which notice may be by e-mail), (b) afford Seller a reasonable opportunity to have a representative of Seller present while Purchaser performs its inspections provided that such opportunity shall not cause an unreasonable delay in the performance of Purchaser's inspections, and (c) provide the identity of the party(s) who will perform the inspections and the proposed scope of such inspections.

Purchaser agrees that, prior to undertaking any inspections of the Property, Purchaser or Purchaser's agents will obtain comprehensive general liability insurance in an amount of not less than Two Million Dollars (\$2,000,000.00) combined single limit for any injury or death of one or more persons per occurrence and for damage to tangible property (including loss of use) per occurrence with a contractual liability endorsement which insures Purchaser's indemnity obligations related to Purchaser's inspection of the Property, which names Seller as an additional insured thereunder (a copy of the certificate of insurance shall be provided by Purchaser to Seller prior to undertaking any inspections and contain a cross-liability provision, and contain a provision that such insurance shall be primary and non-contributing with any other insurance available to Seller). Such insurance coverage shall be maintained by Purchaser until the later of (a) the Closing Date, or (b) thirty (30) days after the termination of this Agreement for any reason.

Except to the extent resulting from Seller's negligence or willful misconduct or from the negligence or willful misconduct of an employee, contractor or agent of Seller, Purchaser agrees to protect, indemnify, defend and hold Seller harmless from and against any Claims arising out of or resulting from the inspection of the Property by Purchaser or its agents or consultants (other than matters arising as a result of Purchaser's discovery of existing conditions within or beneath the Property). Notwithstanding anything to the contrary in this Agreement, the obligation to indemnify and hold harmless Seller shall survive Closing or any termination of this Agreement for a period of one (1) year.

3.2 Right of Termination. On or before the Initial Contingency Date, Purchaser shall have the right to terminate this Agreement for any reason by giving written notice thereof to Seller ("**Purchaser Termination Notice**"), and if Purchaser gives such notice of termination prior to the expiration of the Initial Due Diligence Period, this Agreement shall immediately terminate. If this Agreement is terminated pursuant to the foregoing provision of this paragraph, then neither party shall have any further rights or obligations hereunder (except for any indemnity obligations of either party pursuant to this Agreement and any obligations which expressly survive the termination of this Agreement), the Initial Deposit shall be promptly refunded to Purchaser with any interest earned thereon, and each party shall bear its own costs incurred hereunder. If upon expiration of the Initial Due Diligence Period this Agreement has not terminated as provided in this Agreement, Purchaser shall be deemed to have approved of all Due Diligence Materials, Purchaser's inspections and title as of the Initial Contingency Date, and from and after the expiration of the Initial Due Diligence Period and until the Second Contingency Date (as such date may be extended by Purchaser as hereafter provided), Purchaser shall have the right to terminate this Agreement for any of the following reasons (but for no other reasons except those described in Section 1.11) by giving a Purchaser Termination Notice to Seller: (i) Purchaser shall not have received all required discretionary approvals for its project at 2558 Mission Street, San Francisco, California (the "**Mission Street Project**"); (ii) The applicable appeals period(s) for all required discretionary approvals for the Mission Street Project shall not have expired; (iii) Purchaser shall not have obtained from the Mayor's Office of Housing formal approval of the Property as a land dedication site in connection with the Mission Street Project; (iv) Purchaser shall not have obtained full environmental clearance by the Planning Department for use of the Property for a land dedication in connection with the Mission Street Project; or, (v) Purchaser shall not have secured the Separate Legal Description of the Land as provided in Section 2.5. If Purchaser gives such notice of termination prior to the expiration of the Second Due Diligence Period, this Agreement shall immediately terminate. If this Agreement is so terminated, then neither party shall have any further rights or obligations hereunder (except for any indemnity obligations of either party pursuant to this Agreement and any other obligations or liabilities which expressly survive the Closing), provided that Seller is not then in default under this Agreement, the Deposit (including any Extension Payments made by Purchaser) shall be retained by Seller and be non-refundable to Purchaser except as expressly provided in Section 1.11 of this Agreement, and each party shall bear its own costs incurred hereunder.

3.3 Extension of Second Due Diligence Period. Purchaser shall be permitted up to three (3) extensions of the Second Due Diligence Period and Second Contingency Date (each, an "**Extension**"), and each Extension shall be for a period of three (3) months from the expiration of the prior Extension. Each Extension must be exercised in strict accordance with the procedures

described in this Section 3.3. Each Extension must be properly exercised in order to irrevocably exercise the next Extension. Purchaser shall provide Seller with at least fifteen (15) days written notice prior to the expiration of the then-current Period that Purchaser desires to exercise an Extension, along with a cash payment of Twenty-five Thousand Dollars (\$25,000) for each Extension (each, an “**Extension Payment**”). The Extension Payments shall be non-refundable to Purchaser except as provided in Section 1.11 and paid to the Seller Escrow Account and at Closing shall be credited against the Purchase Price.

ARTICLE 4

CLOSING

4.1 Time and Place.

(a) Provided that neither Purchaser nor Seller has terminated this Agreement as provided in this Agreement and further provided that all of the Purchaser’s Conditions and Seller’s Conditions have been satisfied as of the Closing Date, the consummation of the transaction contemplated hereby (the “**Closing**”) shall be held at the offices of the Title Company on the date that is thirty (30) days after the expiration of the Second Due Diligence Period as such Second Due Diligence Period may be extended as expressly provided herein (the “**Closing Date**”).

(b) If for any reason the Closing does not occur on the Closing Date, as such date may be extended by mutual agreement of Purchaser and Seller, the obligations of the parties to buy and sell the Property shall terminate and each party shall have the rights and remedies set forth herein. If Closing does not occur for any reason other than a Default of Seller, Purchaser shall, upon written request from Seller, deliver to Seller, without representation or warranty of any kind with respect to the items or such delivery, true and complete copies of Purchaser’s third-party due diligence reports generated in connection with Purchaser’s inspections of the Property.

(c) Documents shall be deposited with the Title Company as provided in this Agreement. At the Closing, Seller and Purchaser shall perform the obligations set forth in, respectively, Section 4.2 and Section 4.3 hereof, the performance of which obligations shall be concurrent conditions.

4.2 Seller’s Deliveries.

(a) Seller shall deliver to Title Company, in escrow, a duly executed grant deed (the “**Deed**”) in the form attached hereto as **Exhibit B**, conveying the Land and Improvements, subject only to the Permitted Exceptions.

(b) Seller shall deliver to Title Company, in escrow, two duly executed counterpart originals of an assignment of Seller’s interest in the Personal Property and the Intangibles by agreement in the form attached hereto as **Exhibit C** (the “**Assignment of Intangibles**”).

(c) Seller shall deliver to Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller.

(d) Seller shall deliver to Title Company a certificate in the form attached hereto as **Exhibit D** duly executed by Seller stating that Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and a State of California Form 597 (collectively, the "Non-Foreign Affidavits").

(e) Seller shall deliver to Purchaser outside of escrow the assigned Intangibles.

(f) Seller shall deliver to Title Company a full release and reconveyance of all monetary encumbrances affecting the Property which are not to be paid out of the proceeds of the Closing (other than the lien of current, non-delinquent real property taxes and assessments) and any mechanics' liens, and such affidavits as may be customarily and reasonably required by the Title Company, in a form reasonably acceptable to Seller in order to allow issuance of the Title Policy.

(g) Seller shall deliver to Purchaser possession and occupancy of the Property free and clear of all occupants, leases and occupancy agreements, subject to the Permitted Exceptions.

(h) Seller shall deliver to Title Company, in Escrow, a closing statement reasonably acceptable to Seller duly executed by Seller. Purchaser and Seller shall cooperate in good faith with Title Company to prepare the final closing statement.

(i) Seller shall deliver to Title Company such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement, including without limitation, an Owner's Affidavit in a form reasonably acceptable to Seller.

4.3 Purchaser's Deliveries.

(a) Purchaser shall wire transfer to Title Company the full amount of the Purchase Price (less the Deposit), increased or decreased by prorations and adjustments as herein provided.

(b) Purchaser shall deliver to Title Company, in Escrow, two (2) duly executed counterpart originals of the Assignment of Intangibles.

(c) Purchaser shall deliver to Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser.

(d) Purchaser shall deliver to Title Company, in Escrow, a closing statement reasonably acceptable to Purchaser duly executed by Purchaser.

(e) Purchaser shall deliver to Title Company such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

4.4 Credits, Prorations and Closing Deliveries.

(a) All income and expenses of the Property shall be apportioned as of 12:01 a.m., on the day of Closing, as if Purchaser were vested with title to the Property during the entire day upon which Closing occurs. Such prorated items shall include without limitation the following: (i) all rents, if any; (ii) taxes and assessments levied against the Property; (iii) to the extent that such utilities are not terminated as of the Closing, utility charges for which Seller is liable, if any, such charges to be estimated at Closing on the basis of the most recent meter reading occurring prior to Closing (dated not more than fifteen (15) days prior to Closing) or, if unmetered, on the basis of a current bill for each such utility; and (iv) any other operating expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in the county in which the Property is located.

(b) Notwithstanding anything contained in Section 4.4(a) hereof:

(i) Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments due and payable prior to or during the year of Closing have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves within thirty (30) days after such amounts are determined following Closing and this obligation shall survive the Closing;

(ii) As to utility charges, Seller may on notice to Purchaser elect to pay one or more of all of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent Seller so elects, such item shall not be apportioned hereunder, and Seller's obligation to pay such item directly in such case shall survive the Closing or any termination of this Agreement.

(c) Except as otherwise provided herein, any revenue or expense amount which cannot be ascertained with certainty as of Closing shall be prorated on the basis of the parties' reasonable estimates of such amount, and shall be the subject of a final proration four (4) months after Closing, or as soon thereafter as the precise amounts can be ascertained. If and to the extent necessary, Purchaser and Seller shall cooperate to prepare a post-Closing reconciliation. Purchaser shall promptly notify Seller when it becomes aware that any such estimated amount has been ascertained. Once all revenue and expense amounts have been ascertained, Purchaser shall prepare, and certify as correct, a final proration statement that shall be subject to Seller's reasonable approval. Upon Seller's acceptance and approval of any final proration statement submitted by Purchaser, such statement shall be conclusively deemed to be accurate and final. The obligations of the parties with respect to such post-Closing reconciliations shall survive the Closing.

(d) Upon the Closing, Title Company shall record the Deed in the Official Records of the City and County of San Francisco with a conformed recorded copy to be delivered to Purchaser and Seller, fund the balance of the Purchase Price to Seller, less any of Seller's share of closing costs, as approved by Seller pursuant to the Closing Statement, deliver the originals of the Non-Foreign Status Affidavits to Purchaser, and deliver the other instruments and documents delivered through escrow to the applicable party. Upon recordation of the Deed, Title Company shall deliver the documents deposited with it to the entities entitled to the same. If for any reason the Closing does not occur, Title Company shall return the documents to the entities depositing the same.

4.5 Transaction Taxes and Closing Costs.

(a) Seller and Purchaser shall execute such returns, questionnaires and other documents as shall be required with regard to all applicable real property transaction taxes imposed by applicable federal, state or local law or ordinance. Title Company is designated as the "**reporting person**" for the transaction.

(b) Seller shall pay the fees of any counsel representing Seller in connection with this transaction. Seller shall also pay the following costs and expenses (i) all City and County of San Francisco documentary transfer taxes payable in connection with the recording of the Deed in the Official Records of the City and County of San Francisco, (ii) the cost of a CLTA Owner's Policy and (iii) all costs and expenses to remove all Liquidated Liens and all of Purchaser's objections to title that Seller has agreed to remove. In addition, in the event Purchaser elects to obtain an ALTA survey or obtain an ALTA Owner's Policy, Seller shall pay a portion of such costs to the extent such costs, plus the cost of Seller's obligation under Section 4.5(b)(ii) above, shall not exceed \$5,000.00.

(c) Purchaser shall pay the fees of any counsel representing Purchaser in connection with this transaction. Purchaser shall also pay the following costs and expenses: (i) the escrow fee, if any, which may be charged by the Title Company; (ii) to the extent not paid by Seller as provided in Section 4.5(b) above, the additional premium, if any, for an ALTA Owner's Policy if required by Purchaser; (iii) all of the cost of any endorsements to the Title Policy which are requested by the Purchaser and are not required to satisfy Seller's express obligations under this Agreement; (iv) the costs of recording the Deed in the Official Records of the City and County of San Francisco and (v) to the extent not paid by Seller as provided in Section 4.5(b) above, the cost of an ALTA survey if Purchaser elects to obtain an ALTA survey.

(d) All costs and expenses incident to this transaction and the Closing thereof, and not specifically described above, shall be paid in accordance with the customary practices for commercial real estate transactions in the City and County of San Francisco as determined by the Escrow Holder.

4.6 Purchaser's Closing Conditions. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions ("**Purchaser's Conditions**"), any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall deliver the Property to Purchaser on the Closing Date free and clear of any tenancies and/or occupants, free and clear of all personal property of Seller and of any former occupants except for the Property which is described in Section 1.1 of this Agreement, and free and clear of all debris;

(b) Seller shall have delivered to Title Company, in escrow, all of the items required to be delivered by Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.2 hereof and shall have timely performed all other acts required of Seller hereunder to effect the Closing;

(c) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date;

(d) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date;

(e) Title Company shall be unconditionally committed to issue to Purchaser upon the Closing, at standard commercial title insurance rates, as of the Closing, a CLTA Owner's Policy of Title Insurance with liability limits equal to the Purchase Price (the "**Title Policy**"), in form and substance reasonably satisfactory to Purchaser and insuring marketable fee title to the Property as being vested in Purchaser (or Purchaser's assigns), free and clear of all liens and encumbrances as of the Closing Date subject only to the Permitted Exceptions and any additional exceptions to title caused or created by Purchaser;

(f) As of the Closing Date, there shall have been no condemnation or casualty entitling Purchaser to terminate this Agreement;

(g) As of the Closing Date there shall have been no material adverse change in the Property not caused or created by or on behalf of the Purchaser which shall have caused the Property to be unusable as a land dedication site in connection with Purchaser's Mission Street Project. Purchaser acknowledges that the Property is currently zoned for Purchaser's intended use and Purchaser covenants that Purchaser will not seek to change the zoning of the Property prior to Closing without Seller's prior written consent which Seller may withhold, in Seller's sole discretion; and

(h) Purchaser shall have secured as of the Closing Date the Separate Legal Description of the Land as provided in Section 2.5.

4.7 Seller's Closing Conditions. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions ("**Seller's Conditions**"), any or all of which may be waived by Seller in its sole discretion:

(a) Seller shall have received confirmation of the wiring of the Purchase Price, as adjusted as provided herein;

(b) Purchaser shall have delivered to Title Company, in escrow, all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including, but not limited to, those provided for in Section 4.3 hereof;

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing;

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing; and

(e) Purchaser shall have secured as of the Closing Date the Separate Legal Description of the Land as provided in Section 2.5.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations, Warranties and Covenants of Seller. Seller hereby makes the following representations and warranties to Purchaser which, unless expressly stated to the contrary herein, shall be true and correct as of the Effective Date and the Closing Date, and further covenants to Purchaser as herein below provided:

(a) Organization and Authority. Seller has been duly organized, is validly existing and in good standing under the laws of the State of California. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property and to consummate or cause to be consummated the transaction contemplated by this Agreement. Each person signing this Agreement on behalf of Seller is authorized to do so.

(b) Pending Actions. To Seller's actual knowledge, except as disclosed in the Due Diligence Materials, there is no action, suit, arbitration, government investigation or proceeding pending or threatened against Seller or the Property which, if adversely determined, would individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement or affect the Property or Purchaser's intended use of the Property.

(c) Due Diligence Materials. To Seller's actual knowledge, Seller has provided Purchaser with all material Due Diligence Materials in its possession.

(d) Intangibles. To Seller's actual knowledge (i) Seller has provided to Purchaser complete copies of any Intangibles in its possession, (ii) to the extent Seller owns the Intangibles, Seller has not previously assigned or conveyed them to any other person under an assignment or conveyance that has not been reconveyed or reassigned as of the Closing, and (iii) Seller owns the Personal Property free and clear of any liens, claims or encumbrances and to the extent Seller owns the Intangibles, Seller owns the Intangibles free and clear of any liens, claims or encumbrances

(e) Operating Agreements. Seller covenants that any service contracts entered into by Seller shall either be agreed to in writing by and assigned to Purchaser or, provided Purchaser shall have given Seller at least forty (40) days prior written notice that Purchaser does not desire assignment of such service contracts, such service contracts will be terminated by Seller as of Closing.

(f) Surviving Contracts. To Seller's actual knowledge, there are no contracts or agreements affecting the Property which will survive Closing which shall have not been disclosed to Purchaser by Seller.

(g) Leases. There are no leases or occupancy agreements affecting the Property except those which have been disclosed to Purchaser in the Due Diligence Materials.

(h) Condemnation. Except as disclosed in the Due Diligence Materials, there is no existing pending condemnation proceedings relating to the Property and Seller has no actual knowledge (without inquiry or investigation) of any such condemnation which has been threatened.

(i) Tax Appeals. Except as disclosed in the Due Diligence Materials, Seller has made no tax appeals with respect to the Property which have not been fully appealed.

(j) Litigation. To Seller's actual knowledge, except as disclosed in the Due Diligence Materials, there is no existing litigation that arises out of the ownership of the Property or Seller's ability to perform hereunder and Seller has no actual knowledge (without inquiry or investigation) of any such litigation which has been threatened.

(k) Environmental Conditions. To Seller's actual knowledge, there are no adverse environmental conditions affecting the Property which have not been disclosed by Seller or are not disclosed in the Due Diligence Materials provided by Seller to Purchaser.

(l) Miscellaneous. (i) This Agreement and all documents executed by Seller that are to be delivered to Purchaser at Closing are duly authorized, executed and delivered by Seller, (ii) this Agreement and all documents executed by Seller that are to be delivered to Purchaser at Closing do not, and at the time of Closing will not, violate any provision of any judicial order to which Seller is a party or to which Seller is subject and constitute (or in the case of closing documents will constitute) a valid and legally binding obligation of Seller, and (iii) Seller is not presently the subject of a bankruptcy, insolvency or probate proceedings and Seller neither anticipates nor intends to file or cause to be filed any bankruptcy or insolvency proceeding involving Seller or Seller's assets during the pendency of this Agreement.

5.2 Survival of Seller's Representations and Warranties. The representations and warranties of Seller set forth in Section 5.1 hereof as updated as of the Closing in accordance with the terms of this Agreement and as stated or implied by law in the transfer documents shall survive Closing for a period of twelve (12) months ("**Survival Period**"). No claim for a breach of any representation or warranty of Seller shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was known to Purchaser prior to Closing and Purchaser elects to purchase the Property. Seller shall have no liability to Purchaser for a breach of any representation or warranty unless written notice

containing a description of the specific nature of such breach shall have been given by Purchaser to Seller prior to the expiration of said twelve (12) month period and an action shall have been commenced by Purchaser against Seller within sixty (60) days following the expiration of such twelve (12) month period. Subject to the terms of Section 10.17, in no event shall any Claim for breach of any representation, warranty or covenant of Seller be made against Seller unless the amount of damage claimed by Purchaser is at least Ten Thousand Dollars (\$10,000.00) and in no event, except for fraud or an intentional failure to disclose by Seller, shall Seller's liability for any such breach exceed in the aggregate Five Hundred Thousand Dollars (\$500,000.00). Purchaser agrees to use commercially reasonable efforts to also simultaneously seek recovery under any insurance policies, service contracts or warranties but the recovery from such sources or ability to recover is not a limitation on Seller's obligation or liability hereunder.

5.3 Representations and Warranties of Purchaser. Purchaser hereby makes the following representations and warranties to Seller as of the Closing Date:

(a) Organization and Authority. Purchaser has been duly organized, is validly existing and is in good standing under the laws of the state of its organization and the State of California. Purchaser has the full right and authority to enter into this Agreement and to consummate or cause to be consummated the transaction contemplated by this Agreement. Each person signing this Agreement on behalf of Purchaser is authorized to do so;

(b) Pending Actions. To Purchaser's actual knowledge, there is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, would individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(c) Miscellaneous. This Agreement and all documents executed by Purchaser that are to be delivered to Seller at Closing are duly authorized, executed and delivered by Purchaser, (i) this Agreement and all documents executed by Purchaser that are to be delivered to Seller at Closing do not, and at the time of Closing will not, violate any provision of any judicial order to which Purchaser is a party or to which Purchaser is subject and constitute (or in the case of closing documents will constitute) a valid and legally binding obligation of Purchaser, (ii) Purchaser is not presently the subject of a bankruptcy, insolvency or probate proceedings and Purchaser neither anticipates nor intends to file or cause to be filed any bankruptcy or insolvency proceeding involving Purchaser or Purchaser's assets during the pendency of this Agreement, (iii) Purchaser is a sophisticated investor with substantial experience in investing in assets of the same type as the Property and has such knowledge and experience in financial and business matters that Purchaser is capable of evaluating the merits and risks of an investment in the Property, and (iv) the funds for the Purchase of the Property will not be from sources of funds or properties derived from any unlawful activity.

5.4 Survival of Purchaser's Representations and Warranties. The representations and warranties of Purchaser set forth in Section 5.3 hereof, shall survive Closing for a period of twelve (12) months. No claim for a breach of any representation or warranty of Purchaser shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was known to Seller prior to Closing and Seller elects to sell the Property. Purchaser shall have no liability to Seller for a breach of any representation or warranty

unless written notice containing a description of the specific nature of such breach shall have been given by Seller to Purchaser prior to the expiration of said twelve (12) month period and an action shall have been commenced by Seller against Purchaser within sixty (60) days following the expiration of such twelve (12) month period. Subject to the terms of Section 10.17, in no event shall any Claim for breach of any representation, warranty or covenant of Purchaser be made against Purchaser unless the amount of damage claimed by Seller is at least Ten Thousand Dollars (\$10,000.00) and in no event, except for fraud or an intentional failure to disclose by Purchaser, shall Purchaser's liability for any such breach exceed an aggregate of Five Hundred Thousand Dollars (\$500,000.00). Seller agrees to use commercially reasonable efforts to also simultaneously seek recovery under any insurance policies, service contracts or warranties but the recovery from such sources or ability to recover is not a limitation on Purchaser's obligation or liability hereunder.

ARTICLE 6

DEFAULT

6.1 Events of Default.

(a) The following shall constitute a Default of Purchaser hereunder ("**Purchaser's Default**"): (i) Purchaser defaults under any provision of this Agreement providing for the payment of money and such failure to pay continues for a period of five (5) days after receipt of notice of nonpayment; provided that no notice is required in connection with a default on the Closing Date; (ii) Purchaser defaults under any other material provision of this Agreement and such default is not cured for a period of ten (10) business days after receipt of notice of such default; provided that no notice is required in connection with a default on the Closing Date; (iii) if at any time prior to Closing (a) there shall be filed by Purchaser in any court or with any governmental body pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or a petition seeking to effect any plan or other arrangement with creditors or seeking the appointment of a receiver; or (b) a receiver, conservator or liquidating agent or similar person shall be appointed for all or a substantial portion of Purchaser's property; or (c) Purchaser shall give notice to any person or governmental body of insolvency or suspension or pending suspension of its operations; or (d) Purchaser shall make an assignment for the benefit of creditors or take any other similar action for the protection or benefit of creditors.

(b) The following shall constitute a Default of Seller hereunder ("**Seller's Default**"): (i) Seller defaults under any provision of this Agreement providing for the payment of money and such failure to pay continues for a period of five (5) days after receipt of notice of nonpayment; provided that no notice is required in connection with a default on the Closing Date; (ii) Seller defaults under any other material provision of this Agreement and such default is not cured for a period of ten (10) business days after receipt of notice of such default; provided that no notice is required in connection with a default on the Closing Date; (iii) if at any time prior to Closing (a) there shall be filed by Seller in any court or with any governmental body pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or a petition seeking to effect any plan or other arrangement with creditors or seeking the appointment of a receiver; or (b) a receiver, conservator or liquidating agent or similar person

shall be appointed for all or a substantial portion of Seller's property; or (c) Seller shall give notice to any person or governmental body of insolvency or suspension or pending suspension of its operations; or (d) Seller shall make an assignment for the benefit of creditors or take any other similar action for the protection or benefit of creditors, or (e) any action for foreclosure of any lien on the Property shall have been commenced by any creditor of the Seller and not dismissed within the earlier of (A) the Closing Date or (B) thirty (30) days after the commencement of the action.

6.2 Default by Purchaser. If Purchaser fails to complete the purchase of the Property by reason of any default of Purchaser (and not due to the failure of a Purchaser's Condition), as provided in Section 1.6 Seller shall be entitled, as its sole and exclusive remedy under this Agreement, at law or in equity, to terminate this Agreement and receive the Deposit as liquidated damages for the breach of this Agreement; provided, however, that in the event that any Purchaser's Default can be cured or compensated for by the payment of money or otherwise, Seller shall not have the right to terminate this Agreement by reason thereof in the event that Tricon (as defined in Section 10.1(b) below) or an affiliate of Tricon, within the time period set forth in Section 10.1(b), fully cures the same to Seller's reasonable satisfaction or elects to increase the Purchase Price by an amount Seller reasonably determines is necessary to compensate Seller for such default. The Closing Date shall be extended at the sole option of Tricon or its affiliate by delivering written notice to Seller of such extension prior to the Closing Date and such extension shall be for a reasonable period of time but in no event greater than the period specified in Section 10.1(b) below.

6.3 **SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE PROPERTY BY REASON OF ANY DEFAULT OF SELLER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER SHALL BE RELEASED FROM ITS OBLIGATION TO PURCHASE THE PROPERTY FROM SELLER, AND PURCHASER SHALL HAVE THE RIGHT TO ONE OF THE FOLLOWING REMEDIES ONLY (AND PURCHASER WAIVES ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER TO CONSUMMATE THE SALE): (I) PROCEED AGAINST SELLER BY BRINGING AN ACTION FOR SPECIFIC PERFORMANCE SO LONG AS (A) PURCHASER IS READY, WILLING AND ABLE TO PURCHASE THE PROPERTY ON THE SCHEDULED CLOSING DATE, AND (B) PURCHASER FILES A LEGAL ACTION FOR SPECIFIC PERFORMANCE WITHIN SIXTY (60) DAYS AFTER THE CLOSING DATE, OR (II) TERMINATE THIS AGREEMENT IN WHICH EVENT THE DEPOSIT (TO THE EXTENT MADE) SHALL BE RETURNED TO PURCHASER AND PURCHASER SHALL PROMPTLY RETURN TO SELLER THE SELLER'S DOCUMENTS. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY PURCHASER AS A RESULT OF SUCH DEFAULT BY SELLER TO CONSUMMATE THE SALE, AND AGREE THAT THE REMEDY SET FORTH IN CLAUSE (II) ABOVE IF PURCHASER ELECTS SUCH REMEDY INSTEAD OF THE REMEDY IN CLAUSE (I) ABOVE, IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT SELLER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE SALE, AND PURCHASER ELECTS**

NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER TO CONSUMMATE THE SALE.

SELLER'S INITIALS:  _____ PURCHASER'S INITIALS: _____

6.4 Recoverable Damages. In no event shall the provisions of this Article limit the damages recoverable by either party against the other party due to the other party's express obligation to indemnify such party in accordance with this Agreement or the exhibits.

6.5 Survival. The provisions of this Article 6 shall survive the Closing and any termination of this Agreement.

ARTICLE 7

COMMISSIONS

7.1 Brokerage Commissions. Each party represents to the other party that it was not represented by an agent or broker in connection with the transactions contemplated by this Agreement. Seller agrees that if any person or entity makes a claim for brokerage commissions or finder's fees related to the sale of the Property by Seller to Purchaser, and such claim is made by, through or on account of any acts or alleged acts of Seller or its representatives, Seller will protect, indemnify, defend and hold Purchaser free and harmless from and against any and all Claims in connection therewith. Purchaser agrees that if any person or entity makes a claim for brokerage commissions or finder's fees related to the sale of the Property by Seller to Purchaser, and such claim is made by, through or on account of any acts or alleged acts of Purchaser or its representatives, Purchaser will protect, indemnify, defend and hold Seller free and harmless from and against any and all Claims in connection therewith. The provisions of this paragraph shall survive Closing or any termination of this Agreement.

ARTICLE 8

DISCLAIMERS, WAIVERS, RELEASES

8.1 No Reliance on Documents. Except as expressly stated in this Agreement and the transfer documents, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller or its brokers or agents to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that, subject to Seller's express representations, warranties and covenants as set forth in

NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER TO CONSUMMATE THE SALE.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: W.R.V.

6.4 Recoverable Damages. In no event shall the provisions of this Article limit the damages recoverable by either party against the other party due to the other party's express obligation to indemnify such party in accordance with this Agreement or the exhibits.

6.5 Survival. The provisions of this Article 6 shall survive the Closing and any termination of this Agreement.

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COMMISSIONS

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ARTICLE 8

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this Agreement and in the documents to be executed and delivered by Seller at Closing, all materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser, except as otherwise expressly stated herein. Except in the case of a breach of an express representation, warranty and covenant of Seller as set forth in this Agreement or in any of the documents to be executed and delivered by Seller at Closing, neither Seller, nor any affiliate of Seller shall have any liability to Purchaser for any inaccuracy in or omission from any such reports.

8.2 AS-IS SALE. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND/OR IN ANY OF THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS", EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT AND/OR IN ANY OF THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING. PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, OFFERING PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGERS OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND/OR IN ANY OF THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING. PURCHASER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS-IS", SUBJECT TO THE EXPRESS REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS SET FORTH IN THIS AGREEMENT AND IN THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING.

PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR AS OF THE CLOSING DATE WILL HAVE CONDUCTED SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN

WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT AND/OR IN ANY OF THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING. EXCEPT WITH RESPECT TO (1) ANY BREACH OF ANY REPRESENTATION, WARRANTY AND/OR COVENANT OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT AND/OR IN ANY OF THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING, OR (2) ANY THIRD PARTY CLAIM TO THE EXTENT RELATING TO AN OCCURRENCE PRIOR TO THE CLOSING (OTHER THAN CLAIMS FOR WHICH PURCHASER IS REQUIRED TO INDEMNIFY SELLER PURSUANT TO THE EXPRESS PROVISIONS OF THIS AGREEMENT): (A) UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND (B) PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY

8.3 Release. Purchaser, for itself and on behalf of each of Purchaser's members, partners, shareholders, directors, and officers, and each of their respective successors and assigns (collectively "**Releasors**"), agrees that each of Seller and Seller's partners, members, trustees, beneficiaries, directors, officers, employees, and each of their respective heirs, successors and assigns (collectively, "**Releasees**") from and after the Closing are fully and forever released and discharged from any and all Claims, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise or in any way be connected with the Property including, without limitation, the physical, environmental and structural condition of the Property or any law or regulation applicable thereto, including, without limitation, any Claim or matter (regardless of when it first appeared) relating to or arising from (i) the presence of any environmental problems, or the use, presence, storage, release, discharge, or migration of Hazardous Materials on, in, under or around the Property regardless of when such Hazardous Materials were first introduced in, on or about the Property, (ii) any patent or latent defects or deficiencies with respect to the Property, (iii) any and all matters related to the condition and/or operation of the Property or any portion thereof, and (iv) the presence, release and/or remediation of asbestos and asbestos containing materials in, on or about the Property regardless of when such asbestos and

asbestos containing materials were first introduced in, on or about the Property. The term "**Hazardous Materials**" as used in this Agreement shall mean and refer to (a) any hazardous or toxic wastes, materials or substances, or chemicals, and other pollutants or contaminants, which are or become regulated by applicable local, state, regional and/or federal orders, ordinances, statutes, rules, regulations (as interpreted by judicial and administrative decisions) and all Environmental Laws; (b) asbestos, asbestos-containing materials or urea formaldehyde; (c) polychlorinated biphenyls; (d) flammables, explosive, corrosive or radioactive materials; (e) medical waste and biochemicals; and (f) gasoline, diesel, petroleum or petroleum by-products. As used herein "**Environmental Law**" means any federal, state or local statute, law, ordinance, regulation, rule, code, order, consent decree or judgment, in each case in existence as of the Closing Date, relating to pollution or protection of the environment. Purchaser hereby waives and agrees not to commence any action, legal proceeding, cause of action or suits in law or equity, of whatever kind or nature, including, but not limited to, a private right of action under the federal superfund laws, 42 U.S.C. Sections 9601 et seq. and California Health and Safety Code Sections 25300 et seq. (as such laws and statutes may be amended, supplemented or replaced from time to time), directly or indirectly, against the Releasees in connection with Claims described above (collectively, the "**Released Claims**") and expressly waives the provisions of California Civil Code Section 1542 which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR

and all similar provisions or rules of law. Purchaser elects to and does assume all risk for such Released Claims, whether now known or unknown by Purchaser. Notwithstanding anything to the contrary herein, the aforementioned release shall neither apply to, and the Released Claims shall not include or be applicable to, (i) any matters arising out of the execution, interpretation or enforcement of this Agreement or any provision hereof so long as Seller is notified with specificity of such Claim in writing within the Survival Period, or (ii) a breach by Seller of any of the representations or warranties made in Section 5.1 hereof so long as Seller is notified with specificity of any such Claim in writing within the Survival Period, or (iii) any Claim asserted against any Releasor by a former Tenant, occupant, invitee of or to the Property so long as Seller is notified with specificity of such Claim in writing within twenty-four months (24) months after the Closing Date ("**Claim Notice Period**"), or (iv) any Claim asserted by any other third person against any Releasor relating to events occurring on or the condition of the Property prior to the Closing so long as Seller is notified with specificity of such Claim in writing within the Claim Notice Period, or (v) any Claim arising out of the fraud of any Releasee or Seller's intentional failure to disclose information material to Purchaser. After the expiration of the Survival Period or the Claim Notice Period, as the case may be, the aforementioned release (and the Released Claims) shall include all Claims arising from or related to this Agreement except Claims referenced in subsection (v) above. Without limiting the foregoing, if Purchaser has actual knowledge of (1) a default in any of the covenants, agreements or obligations to be performed by Seller under this Agreement and/or (2) any breach or inaccuracy in any representation of Seller made in this Agreement, and Purchaser nonetheless elects to proceed to Closing, then, upon

Closing, Purchaser shall be conclusively deemed to have waived any such default and/or breach or inaccuracy and shall have no Claim against Seller with respect thereto. For purposes of this Section 8.3, the actual knowledge of Purchaser shall mean the actual knowledge of Dean Givas.

Seller has given Purchaser material concessions regarding this transaction in exchange for Purchaser agreeing to the provisions of this Section. Seller and Purchaser have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof. The provisions of this Section shall survive the Closing and shall not be deemed merged into any instrument or conveyance delivered at the Closing.

SELLER'S INITIALS:  _____

PURCHASER'S INITIALS: _____

8.4 Survival of Disclaimers. The provisions of this Article 8 shall survive Closing or any termination of this Agreement.

ARTICLE 9

RISK OF LOSS

9.1 Damage. If there is material (the cost of restoration or repair is reasonably estimated by Purchaser to exceed \$25,000) damage to the Property or if the Property is destroyed by earthquake, flood, landslide, fire or other casualty prior to Closing, then Purchaser shall have the right, by written notice delivered to Seller and Escrow Holder within ten (10) business days after Purchaser receives written notice of such damage or destruction, to terminate this Agreement and cancel Escrow. Otherwise, if there is non-material damage or if Purchaser does not elect to terminate this Agreement and cancel Escrow by written notice delivered to Seller and Escrow Holder within such ten (10) business day period following material damage, then this Agreement shall remain in full force and effect, there shall be no adjustment of the Purchase Price, all insurance proceeds payable to Seller with respect to such damage or destruction, if any, shall be assigned and delivered by Seller to Purchaser at Closing and Seller shall pay to Purchaser at Closing the amount of Seller's deductible under Seller's property insurance applicable to such damage or destruction. If this Agreement and the Escrow are terminated pursuant to this Section 9.1, then, notwithstanding any other provisions of this Agreement, Purchaser and Seller shall each pay one-half of all Escrow cancellation charges, and the Deposit and any other funds deposited by Purchaser into Escrow, together with all interest earned thereon in Escrow, shall be promptly returned to Purchaser.

9.2 Condemnation. In the event that a proceeding for condemnation of the Property is threatened or commenced prior to the Closing Date, Purchaser shall have the right, by written notice delivered to Seller and Escrow Holder within ten (10) business days after Purchaser receives written notice of the threat or commencement of a proceeding of condemnation, to terminate this Agreement and cancel Escrow. If Purchaser does not elect to terminate this Agreement and cancel Escrow by written notice delivered to Seller and Escrow Holder within such ten (10) business day period following the threat or commencement of a proceeding of condemnation, then this Agreement shall remain in full force and effect, there shall be no adjustment of the Purchase Price, and Seller shall assign to Purchaser all of Seller's right, title

Closing, Purchaser shall be conclusively deemed to have waived any such default and/or breach or inaccuracy and shall have no Claim against Seller with respect thereto. For purposes of this Section 8.3, the actual knowledge of Purchaser shall mean the actual knowledge of Dean Givas.

Seller has given Purchaser material concessions regarding this transaction in exchange for Purchaser agreeing to the provisions of this Section. Seller and Purchaser have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof. The provisions of this Section shall survive the Closing and shall not be deemed merged into any instrument or conveyance delivered at the Closing.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: NO. D. GIVAS

8.4 Survival of Disclaimers. The provisions of this Article 8 shall survive Closing or any termination of this Agreement.

ARTICLE 9

RISK OF LOSS

9.1 Damage. If there is material (the cost of restoration or repair is reasonably estimated by Purchaser to exceed \$25,000) damage to the Property or if the Property is destroyed by earthquake, flood, landslide, fire or other casualty prior to Closing, then Purchaser shall have the right, by written notice delivered to Seller and Escrow Holder within ten (10) business days after Purchaser receives written notice of such damage or destruction, to terminate this Agreement and cancel Escrow. Otherwise, if there is non-material damage or if Purchaser does not elect to terminate this Agreement and cancel Escrow by written notice delivered to Seller and Escrow Holder within such ten (10) business day period following material damage, then this Agreement shall remain in full force and effect, there shall be no adjustment of the Purchase Price, all insurance proceeds payable to Seller with respect to such damage or destruction, if any, shall be assigned and delivered by Seller to Purchaser at Closing and Seller shall pay to Purchaser at Closing the amount of Seller's deductible under Seller's property insurance applicable to such damage or destruction. If this Agreement and the Escrow are terminated pursuant to this Section 9.1, then, notwithstanding any other provisions of this Agreement, Purchaser and Seller shall each pay one-half of all Escrow cancellation charges, and the Deposit and any other funds deposited by Purchaser into Escrow, together with all interest earned thereon in Escrow, shall be promptly returned to Purchaser.

9.2 Condemnation. In the event that a proceeding for condemnation of the Property is threatened or commenced prior to the Closing Date, Purchaser shall have the right, by written notice delivered to Seller and Escrow Holder within ten (10) business days after Purchaser receives written notice of the threat or commencement of a proceeding of condemnation, to terminate this Agreement and cancel Escrow. If Purchaser does not elect to terminate this Agreement and cancel Escrow by written notice delivered to Seller and Escrow Holder within such ten (10) business day period following the threat or commencement of a proceeding of condemnation, then this Agreement shall remain in full force and effect, there shall be no adjustment of the Purchase Price, and Seller shall assign to Purchaser all of Seller's right, title

and interest in and to any claims and proceeds Seller may have with respect to any condemnation awards relating to the Property. If this Agreement and the Escrow are terminated pursuant to this Section 9.2, then, notwithstanding any other provisions of this Agreement, Purchaser and Seller shall each pay one-half of all Escrow cancellation charges, and the Deposit and any other funds deposited by Purchaser into Escrow, together with all interest earned thereon in Escrow, shall be promptly returned to Purchaser.

ARTICLE 10

MISCELLANEOUS

10.1 Assignment.

(a) Subject to the provisions of this Section, the terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable. The provisions of this Section shall survive the Closing or any termination of this Agreement.

(b) Purchaser may assign its rights under this Agreement, absolutely or as collateral, without first obtaining Seller's written approval. Without limitation, Purchaser may assign its interest in this Agreement to a wholly owned subsidiary of Purchaser or of Purchaser and/or Tricon IX LP ("**Tricon**"), or to a one hundred percent (100%) owned affiliate(s) of Purchaser or of Purchaser and/or Tricon, or to any entity controlled (directly or indirectly, through voting or equity ownership) by Purchaser or by Purchaser and/or Tricon; ("**Permitted Assignee**"). In the event Purchaser intends to assign its rights hereunder, including to a Permitted Assignee, (a) Purchaser shall send Seller written notice of the assignment no more than five (5) business days prior to such assignment but in no event later than two (2) days prior to Closing, which notice shall include the legal name and structure of the proposed assignee, and Purchaser shall also provide to Seller any other information respecting such assignee that Seller may reasonably request, (b) Purchaser and (except in the case of a collateral assignment) the assignee shall execute an assignment and assumption of this Agreement in form and substance reasonably satisfactory to Seller, and (c) in no event shall any assignment of this Agreement release or discharge Purchaser from any liability or obligation hereunder. If Purchaser collaterally assigns its interest in this Agreement to Tricon, as a precondition to exercising any remedies as the result of a default by Purchaser, Purchaser shall notify Seller in writing within ten (10) days following such assignment and Seller shall deliver a notice to Tricon describing the default (which may be a copy of any notice given to Purchaser in connection with the default) and shall permit Tricon a period of not more than ninety (90) days to cure the default. Seller shall accept Tricon's timely cure of Purchaser's default as if originally and timely tendered by Purchaser. If, after first having been informed that Purchaser has collaterally assigned its interest in this Agreement to Tricon, Tricon represents and warrants to Seller that Tricon has become the absolute assignee (rather than the collateral assignee) of this Agreement, Seller will thereafter treat Tricon as "Purchaser" under this Agreement, notwithstanding any objection from the purchaser originally named in this Agreement (or any assignee of such purchaser). The originally named purchaser hereunder or any subsequently named purchaser other than Tricon hereby waives and releases Seller from any and all Claims arising from or related to Seller so treating Tricon as "Purchaser" and, as a condition to Seller treating Tricon as "Purchaser" hereunder, Tricon shall indemnify,

defend and hold Seller harmless from and against all such Claims made by the originally named purchaser or subsequently named purchaser other than Tricon. For the purposes of this Section 10.1(b), the term "Purchaser" shall include any permitted assignee of Purchaser, and the term "Tricon" shall include any assignee of Tricon. Tricon is a third party beneficiary of this Agreement, and this Agreement shall not be amended or modified (or any provision or condition of this Agreement benefiting Purchaser waived) without the prior written consent of Tricon. The provisions of this Section shall survive the Closing or any termination of this Agreement.

10.2 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) reputable overnight delivery service with proof of delivery, and shall be deemed to have been given upon receipt or refusal to accept delivery or (b) United States Mail, postage prepaid, registered or certified mail, return receipt requested sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given upon receipt or refusal to accept delivery. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller:

The Murphy Trust
1485 Bayshore Blv'd., Ste. #101
San Francisco, CA 94124
Attention: Tom Murphy

If to Purchaser:

2558 Mission LLC
c/o Oyster Development Corp.
355 1st Street, #809
San Francisco, CA 94105
Attention: Dean Givas

With a copy to:

Tricon Fund IX LP
c/o Tricon Capital Group, Inc.
1067 Yonge Street
Toronto, Ontario, Canada M4W 2L2
Attention: Jonathan Ellenzweig

And with a copy to:

George H. Cole, Jr, Esq.
Law Offices of George H. Cole, Jr.
P.O. Box 250
Olalla, WA 98359

10.3 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

10.4 Entire Agreement. This Agreement, including the exhibits and schedules hereto, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

10.5 Further Assurances. Each party agrees that it will execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate the transaction contemplated by this Agreement. The provisions of this Section shall survive Closing.

10.6 Counterparts. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

10.7 Facsimile Signatures. In order to expedite the transaction contemplated herein, telecopied signatures may be used in place of original signatures on this Agreement. Seller and Purchaser intend to be bound by the signatures on the telecopied document, are aware that the other party will rely on the telecopied signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on a facsimile signature. The parties shall provide original signatures promptly after delivery of facsimile signatures.

10.8 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

10.9 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State California. Purchaser and Seller agree that the provisions of this Section shall survive the Closing or any termination of this Agreement.

10.10 Attorneys' Fees; Waiver of Jury Trial.

(a) In the event of any action or proceeding between Seller and Purchaser to enforce or construe any provision of this Agreement, the non-prevailing party shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action and in any appeal in connection therewith by such prevailing party. The "prevailing party" will be determined by the court before whom the action was brought based upon an assessment of which party's major arguments or positions taken in the suit or proceeding could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues in the court's decision.

(b) IF ANY ACTION OR PROCEEDING BETWEEN SELLER AND PURCHASER TO ENFORCE THE PROVISIONS OF THIS AGREEMENT PROCEEDS TO TRIAL, TO THE EXTENT PERMITTED BY LAW, SELLER AND PURCHASER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY IN SUCH TRIAL. Seller and Purchaser agree that this paragraph constitutes a written consent to waiver of trial by jury within the meaning of California Code of Civil Procedure Section 631(a)(2), and each party does hereby authorize and empower the other party to file this paragraph and/or this Agreement, as required,

with the clerk or judge of any court of competent jurisdiction as a written consent to waiver of jury trial.

10.11 No Third-Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party (other than Tricon), and accordingly, no third party (other than Tricon) shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

10.12 Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

10.13 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

10.14 Recordation. This Agreement may not be recorded by any party hereto without the prior written consent of the other party hereto. The provisions of this Section shall survive the Closing or any termination of this Agreement.

10.15 Time for Performance. Time is of the essence of this Agreement. As used in this Agreement, a "business day" shall mean a day which is not a Saturday, Sunday or recognized federal or state holiday. If the last date for performance by either party under this Agreement occurs on a day which is not a business day, then the last date for such performance shall be extended to the next occurring business day.

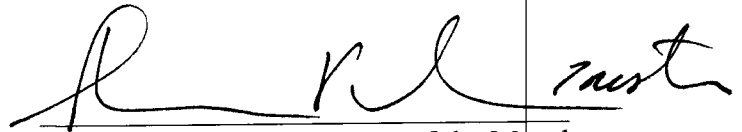
10.16 Tax Deferred Exchange. Either party may consummate the purchase or sale of the Property as part of a so-called like kind exchange (the "**Exchange**") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, provided that (i) Closing shall not be delayed or affected by reason of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to either party's obligations under this Agreement; (ii) the party electing to consummate this transaction as part of an Exchange (the "**Electing Party**") shall effect the Exchange through an assignment of this Agreement, or its rights under this Agreement, to a qualified intermediary; (iii) the other party (the "**Other Party**") shall not be required to take an assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; (iv) the Electing Party shall pay any additional costs that would not otherwise have been incurred by the Other Party had the Electing Party not consummated this transaction through the Exchange; (v) the Electing Party shall indemnify, defend and hold the Other Party harmless from and against any and all Claims whatsoever arising out of, connected with or in any manner related to such Exchange that would not have been incurred by the Other Party if the transaction were not the subject of an Exchange; and (vi) the Exchange is not considered a closing condition of either party. The Other Party shall not by this Agreement or acquiescence to the Exchange proposed by the Electing Party have its rights under this Agreement affected or diminished in any manner or be responsible for compliance with or be deemed to have warranted

to the Electing Party that the Exchange in fact complies with Section 1031 of the Internal Revenue Code of 1986, as amended.

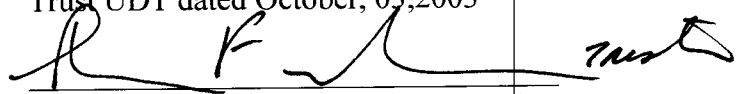
10.17 No Consequential or Punitive Damages. Except with respect to fraud committed by a party to this Agreement and except with respect to a party's intentional failure to disclose a material fact, in no event whatsoever shall either party be liable to the other party for consequential or punitive damages under this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:



Thomas F. Murphy, Trustee of the Murphy Trust UDT dated October, 03, 2003



Martina Murphy, Trustee of the Murphy Trust UDT dated October 03, 2003

Executed by Seller on ~~August~~ 29, 2011
SEP

PURCHASER:

2558 MISSION LLC,
a California limited liability company

By: Van Ness Clay Corp.,
a California corporation
Its Managing Member

By: _____
Name: Dean Givas
Its: President

Executed by Purchaser on August ____, 2011

to the Electing Party that the Exchange in fact complies with Section 1031 of the Internal Revenue Code of 1986, as amended.

10.17 No Consequential or Punitive Damages. Except with respect to fraud committed by a party to this Agreement and except with respect to a party's intentional failure to disclose a material fact, in no event whatsoever shall either party be liable to the other party for consequential or punitive damages under this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

Thomas F. Murphy, Trustee of the Murphy Trust UDT dated October, 03,2003

Martina Murphy, Trustee of the Murphy Trust UDT dated October 03, 2003

Executed by Seller on August ____, 2011

PURCHASER:

2558 MISSION LLC,
a California limited liability company

By: Van Ness Clay Corp.,
a California corporation
Its Managing Member

By: *Dean Givas*
Name: Dean Givas
Its: President

Executed by Purchaser on August ____, 2011

September 28

D. Givas

Title Company executes this Agreement below solely for the purpose of acknowledging that it agrees to be bound by the provisions of this Agreement relating to performance by the Title Company., with the exception of paragraph 2.5, which legal description will need to be in compliance with the subdivision map act.

TITLE COMPANY:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: 

Name: Karen Matsunaga

Title: Senior Commercial Escrow Officer

Date: ~~August~~ 9-29, 2011

Exhibit A

DESCRIPTION OF LAND

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SHOTWELL STREET PRODUCED NORTHERLY, DISTANT THEREON 207.109 FEET NORTHERLY FROM THE NORTHERLY LINE OF ARMY STREET AS SAID ARMY STREET EXISTED PRIOR TO THE WIDENING THEREOF; RUNNING THENCE SOUTH 4° 15' EAST ALONG SAID LINE OF SHOTWELL STREET 171.064 FEET TO THE PRESENT NORTHERLY LINE OF ARMY STREET; THENCE SOUTH 88° 36' 34" WEST ALONG LAST SAID LINE OF ARMY STREET 100 FEET; THENCE NORTH 4° 15' WEST 40.87 FEET TO A LINE DRAWN NORTH 84° 34' WEST FROM A POINT ON SAID LINE OF SHOTWELL STREET DISTANT THEREON 64.864 FEET NORTHERLY FROM THE NORTHERLY LINE OF ARMY STREET AS SAID ARMY STREET EXISTED PRIOR TO THE WIDENING THEREOF; THENCE NORTH 84° 34' WEST ALONG THE LINE SO DRAWN 7.010 FEET TO A "FIXED POINT" DISTANT THEREON 108.330 FEET FROM SAID LINE OF SHOTWELL STREET; THENCE NORTH 4° 15' WEST 5.998 FEET TO A LINE DRAWN NORTH 14° 49' 38" EAST FROM A POINT DISTANT NORTH 84° 34' WEST 1.996 FEET FROM SAID "FIXED POINT"; THENCE NORTH 14° 49' 38" EAST 128.468 FEET TO A LINE DRAWN SOUTH 88° 41' 39" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 88° 41' 39" EAST 64.91 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 200

EXCEPTING THEREFROM THAT CERTAIN REAL PROPERTY DESCRIBED IN DEED CONVEYED FROM FORREST W. WILSON, A SINGLE MAN; JOHN J. WILSON AND DELLA WILSON, HIS WIFE, TO MANCO PACIFIC COMPANY, A CALIFORNIA CORPORATION, DATED JULY 18, 1956 AND RECORDED IN BOOK 6889 OF OFFICIAL RECORDS OF SAN FRANCISCO, COUNTY, AT PAGE 251, ON JULY 27, 1956, SAID PORTION OF SAID REAL PROPERTY BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE COMMON LINE BETWEEN SAID LANDS OF MANCO PACIFIC COMPANY AND THE LANDS DESCRIBED IN DEED CONVEYED FROM CALIFORNIA PACIFIC TITLE INSURANCE COMPANY, A CORPORATION, TO J.W. ALLEN, DATED APRIL 9, 1948, AND RECORDED APRIL 12, 1948, IN BOOK 4872, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY, AT PAGE 41, SAID POINT OF BEGINNING BEING CALLED A "FIXED POINT" IN BOTH SAID DEEDS AND BEING DISTANT NORTH 84° 34' WEST 108.33 FEET FROM A POINT ON THE WESTERLY LINE OF SHOTWELL STREET (THE BEARING OF SAID LINE OF SHOTWELL STREET IS ASSUMED TO BE NORTH 4° 15' WEST FOR THE PURPOSE OF THIS DESCRIPTION AND ALL OTHER BEARINGS HEREIN ARE RELATED THERETO), DISTANT THEREON 64.864 FEET NORTHERLY FROM THE LINE OF ARMY STREET, AS SAID STREETS EXISTED PRIOR TO THE WIDENING OF ARMY STREET; RUNNING THENCE NORTH 4° 15' WEST 6.022 FEET (CALLED "5.998 FEET" IN BOTH SAID DEEDS) TO A LINE NORTH 14° 49' 38" EAST FROM A POINT WHICH IS DISTANT NORTH 84° 34' WEST 1.996 FEET FROM SAID "FIXED POINT"; THENCE NORTH 14° 49' 38" EAST 21.163 FEET; THENCE SOUTH 4° 15' EAST 27.206 FEET; THENCE NORTH 84° 34' WEST 7.01 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 200

Exhibit B

FORM OF DEED

(to be modified as required)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO AND
MAIL TAX STATEMENTS TO:

(space above line for Recorder's use only)

GRANT DEED

In accordance with Section 11932 of the California Revenue and Taxation Code, Grantor has declared the amount of the transfer tax which is due by a separate statement which is not being recorded with this Grant Deed.

FOR VALUE RECEIVED, THOMAS F. MURPHY AND MARTINA MURPHY, TRUSTEES OF THE MURPHY TRUST UDT DATED OCTOBER 03, 2003 grant to 2558 MISSION LLC, a California limited liability company ("**Grantee**"), all that certain real property (the "**Property**") situated in the City of San Francisco, County of San Francisco, State of California, described on **Exhibit A** attached hereto and by this reference incorporated herein.

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO:

(a) All exceptions appearing in a certain policy of title insurance for the Property issued to the Grantee as of the date hereof; and

(b) Zoning ordinances and regulations and any other laws, ordinances, or governmental regulations restricting or regulating the use, occupancy or enjoyment of the Property.

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed dated as of _____, 2012.

Thomas F. Murphy, Trustee of the Murphy
Trust UDT dated October, 03,2003

Martina Murphy, Trustee of the Murphy
Trust UDT dated October 03, 2003

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2012, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/ their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2012, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/ their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A TO DEED

LEGAL DESCRIPTION

BEGINNING AT A POINT ON THE WESTERLY LINE OF SHOTWELL STREET PRODUCED NORTHERLY, DISTANT THEREON 207.109 FEET NORTHERLY FROM THE NORTHERLY LINE OF ARMY STREET AS SAID ARMY STREET EXISTED PRIOR TO THE WIDENING THEREOF; RUNNING THENCE SOUTH 4° 15' EAST ALONG SAID LINE OF SHOTWELL STREET 171.064 FEET TO THE PRESENT NORTHERLY LINE OF ARMY STREET; THENCE SOUTH 88° 36' 34" WEST ALONG LAST SAID LINE OF ARMY STREET 100 FEET; THENCE NORTH 4° 15' WEST 40.87 FEET TO A LINE DRAWN NORTH 84° 34' WEST FROM A POINT ON SAID LINE OF SHOTWELL STREET DISTANT THEREON 64.864 FEET NORTHERLY FROM THE NORTHERLY LINE OF ARMY STREET AS SAID ARMY STREET EXISTED PRIOR TO THE WIDENING THEREOF; THENCE NORTH 84° 34' WEST ALONG THE LINE SO DRAWN 7.010 FEET TO A "FIXED POINT" DISTANT THEREON 108.330 FEET FROM SAID LINE OF SHOTWELL STREET; THENCE NORTH 4° 15' WEST 5.998 FEET TO A LINE DRAWN NORTH 14° 49' 38" EAST FROM A POINT DISTANT NORTH 84° 34' WEST 1.996 FEET FROM SAID "FIXED POINT"; THENCE NORTH 14° 49' 38" EAST 128.468 FEET TO A LINE DRAWN SOUTH 88° 41' 39" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 88° 41' 39" EAST 64.91 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 200

EXCEPTING THEREFROM THAT CERTAIN REAL PROPERTY DESCRIBED IN DEED CONVEYED FROM FORREST W. WILSON, A SINGLE MAN; JOHN J. WILSON AND DELLA WILSON, HIS WIFE, TO MANCO PACIFIC COMPANY, A CALIFORNIA CORPORATION, DATED JULY 18, 1956 AND RECORDED IN BOOK 6889 OF OFFICIAL RECORDS OF SAN FRANCISCO, COUNTY, AT PAGE 251, ON JULY 27, 1956, SAID PORTION OF SAID REAL PROPERTY BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE COMMON LINE BETWEEN SAID LANDS OF MANCO PACIFIC COMPANY AND THE LANDS DESCRIBED IN DEED CONVEYED FROM CALIFORNIA PACIFIC TITLE INSURANCE COMPANY, A CORPORATION, TO J.W. ALLEN, DATED APRIL 9, 1948, AND RECORDED APRIL 12, 1948, IN BOOK 4872, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY, AT PAGE 41, SAID POINT OF BEGINNING BEING CALLED A "FIXED POINT" IN BOTH SAID DEEDS AND BEING DISTANT NORTH 84° 34' WEST 108.33 FEET FROM A POINT ON THE WESTERLY LINE OF SHOTWELL STREET (THE BEARING OF SAID LINE OF SHOTWELL STREET IS ASSUMED TO BE NORTH 4° 15' WEST FOR THE PURPOSE OF THIS DESCRIPTION AND ALL OTHER BEARINGS HEREIN ARE RELATED THERETO), DISTANT THEREON 64.864 FEET NORTHERLY FROM THE LINE OF ARMY STREET, AS SAID STREETS EXISTED PRIOR TO THE WIDENING OF ARMY STREET; RUNNING THENCE NORTH 4° 15' WEST 6.022 FEET (CALLED "5.998 FEET" IN BOTH SAID DEEDS) TO A LINE NORTH 14° 49' 38" EAST FROM A POINT WHICH IS DISTANT NORTH 84° 34' WEST 1.996 FEET FROM SAID "FIXED POINT"; THENCE NORTH 14° 49' 38" EAST 21.163 FEET; THENCE SOUTH 4° 15' EAST 27.206 FEET; THENCE NORTH 84° 34' WEST 7.01 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 200

Exhibit C

FORM OF BILL OF SALE, ASSIGNMENT AND ASSUMPTION OF INTANGIBLES

[to be modified as required]

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION OF INTANGIBLES (this “**Agreement**”) is made as of the ____ day of _____, 2012, by and between THOMAS F. MURPHY AND MARTINA MURPHY, TRUSTEES OF THE MURPHY TRUST UDT DATED OCTOBER 03, 2003 (“**Seller**”), and 2558 MISSION LLC, a California limited liability company (“**Purchaser**”)

WITNESSETH:

WHEREAS, by that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of August ____, 2011 (the “**Purchase Agreement**”) between Seller and Purchaser, Seller agreed to sell to Purchaser certain real property described on **Exhibit A** annexed hereto and made a part hereof and the buildings and other improvements thereon known as 1296 Shotwell Street, San Francisco, California, as more fully described in the Purchase Agreement (the “**Real Property**”); and

WHEREAS, Seller desires to sell, transfer, convey, assign and deliver to Purchaser the “**Property**” (as defined in the Purchase Agreement) pursuant to the Purchase Agreement, and Purchaser desires to accept the sale, transfer, conveyance, assignment and delivery thereof;

NOW, THEREFORE, for and in consideration of the mutual covenants contained in the Purchase Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby irrevocably sells, transfers, conveys, assigns and delivers to Purchaser, all of Seller’s right, title and interest in, to and under the Property, to have and to hold the same unto Purchaser, its successors and assigns, forever. In furtherance, and not in limitation, thereof, the undersigned parties do further agree as follows:

1. Bill of Sale. Seller hereby sells, transfers, conveys, assigns and delivers to Purchaser all of its right, title and interest in, to all of the Personal Property (as defined in the Purchase Agreement), including any furniture, furnishing, equipment, fixtures, inventory supplies and other items of personal property owned by Seller and located upon or used in connection with the Real Property, without recourse, representation or warranty, including without limitation, habitability, merchantability and fitness for a particular purpose, except as set forth in Section 6 below.

2. Transfer of Intangibles. Seller hereby sells, transfers, conveys, assigns and delivers to Purchaser all of its right, title and interest in, to and under any Intangibles (as defined in the Purchase Agreement), including any and all permits and licenses (including, but not limited to, any and all presently pending applications therefor), as holder, claimant, licensee,

permittee, successor in interest, applicant and/or owner of the Real Property, issued by, or to be issued by, any and all federal, state, county, municipal and local governments, and all departments, commissions, boards, bureaus and offices thereof; having or claiming jurisdiction over the Real Property, whether or not the same may presently be in full force and effect and to any rights relating to the construction, ownership, use and operation of the Real Property (including, but not limited to, any and all warranties, causes of action, and guaranties) in connection therewith), trade name, logotype, trademark or other symbol and other items of intangible property associated with the Real Property.

3. Legal Proceedings. In the event of any action or proceeding between Seller and Purchaser to enforce or construe any provision of this Agreement, the non-prevailing party shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action and in any appeal in connection therewith by such prevailing party. The "prevailing party" will be determined by the court before whom the action was brought based upon an assessment of which party's major arguments or positions taken in the suit or proceeding could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues in the court's decision.

4. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

5. Miscellaneous. This Agreement and the obligations of Seller and Purchaser hereunder shall survive the closing of the transactions referred to in the Purchase Agreement, shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of California and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

6. Conditions of Transfer. Purchaser hereby accepts the sale, transfer, conveyance, assignment and delivery of the items described herein "AS IS" and acknowledges and agrees that Seller makes no representations or warranties with respect thereto, except as specifically set forth in this Agreement or the Purchase Agreement. Notwithstanding the foregoing, Seller represents that the Personal Property and the Intangibles are not subject to any lease interests or monetary liens or encumbrances.

[This Space Intentionally Left Blank; Signatures Begin On The Next Page]

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Agreement as of the day and year first above written.

SELLER:

Thomas F. Murphy, Trustee of the Murphy
Trust UDT dated October, 03,2003

Martina Murphy, Trustee of the Murphy
Trust UDT dated October 03, 2003

PURCHASER:

2558 MISSION LLC,
a California limited liability company

By: Van Ness Clay Corp.,
a California corporation
Its Managing Member

By: _____
Name: Dean Givas
Its: President

Exhibit A to Form of Assignment of Intangibles

LEGAL DESCRIPTION

BEGINNING AT A POINT ON THE WESTERLY LINE OF SHOTWELL STREET PRODUCED NORTHERLY, DISTANT THEREON 207.109 FEET NORTHERLY FROM THE NORTHERLY LINE OF ARMY STREET AS SAID ARMY STREET EXISTED PRIOR TO THE WIDENING THEREOF; RUNNING THENCE SOUTH 4° 15' EAST ALONG SAID LINE OF SHOTWELL STREET 171.064 FEET TO THE PRESENT NORTHERLY LINE OF ARMY STREET; THENCE SOUTH 88° 36' 34" WEST ALONG LAST SAID LINE OF ARMY STREET 100 FEET; THENCE NORTH 4° 15' WEST 40.87 FEET TO A LINE DRAWN NORTH 84° 34' WEST FROM A POINT ON SAID LINE OF SHOTWELL STREET DISTANT THEREON 64.864 FEET NORTHERLY FROM THE NORTHERLY LINE OF ARMY STREET AS SAID ARMY STREET EXISTED PRIOR TO THE WIDENING THEREOF; THENCE NORTH 84° 34' WEST ALONG THE LINE SO DRAWN 7.010 FEET TO A "FIXED POINT" DISTANT THEREON 108.330 FEET FROM SAID LINE OF SHOTWELL STREET; THENCE NORTH 4° 15' WEST 5.998 FEET TO A LINE DRAWN NORTH 14° 49' 38" EAST FROM A POINT DISTANT NORTH 84° 34' WEST 1.996 FEET FROM SAID "FIXED POINT"; THENCE NORTH 14° 49' 38" EAST 128.468 FEET TO A LINE DRAWN SOUTH 88° 41' 39" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 88° 41' 39" EAST 64.91 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 200

EXCEPTING THEREFROM THAT CERTAIN REAL PROPERTY DESCRIBED IN DEED CONVEYED FROM FORREST W. WILSON, A SINGLE MAN; JOHN J. WILSON AND DELLA WILSON, HIS WIFE, TO MANCO PACIFIC COMPANY, A CALIFORNIA CORPORATION, DATED JULY 18, 1956 AND RECORDED IN BOOK 6889 OF OFFICIAL RECORDS OF SAN FRANCISCO, COUNTY, AT PAGE 251, ON JULY 27, 1956, SAID PORTION OF SAID REAL PROPERTY BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE COMMON LINE BETWEEN SAID LANDS OF MANCO PACIFIC COMPANY AND THE LANDS DESCRIBED IN DEED CONVEYED FROM CALIFORNIA PACIFIC TITLE INSURANCE COMPANY, A CORPORATION, TO J.W. ALLEN, DATED APRIL 9, 1948, AND RECORDED APRIL 12, 1948, IN BOOK 4872, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY, AT PAGE 41, SAID POINT OF BEGINNING BEING CALLED A "FIXED POINT" IN BOTH SAID DEEDS AND BEING DISTANT NORTH 84° 34' WEST 108.33 FEET FROM A POINT ON THE WESTERLY LINE OF SHOTWELL STREET (THE BEARING OF SAID LINE OF SHOTWELL STREET IS ASSUMED TO BE NORTH 4° 15' WEST FOR THE PURPOSE OF THIS DESCRIPTION AND ALL OTHER BEARINGS HEREIN ARE RELATED THERETO), DISTANT THEREON 64.864 FEET NORTHERLY FROM THE LINE OF ARMY STREET, AS SAID STREETS EXISTED PRIOR TO THE WIDENING OF ARMY STREET; RUNNING THENCE NORTH 4° 15' WEST 6.022 FEET (CALLED "5.998 FEET" IN BOTH SAID DEEDS) TO A LINE NORTH 14° 49' 38" EAST FROM A POINT WHICH IS DISTANT NORTH 84° 34' WEST 1.996 FEET FROM SAID "FIXED POINT"; THENCE NORTH 14° 49' 38" EAST 21.163 FEET; THENCE SOUTH 4° 15' EAST 27.206 FEET; THENCE NORTH 84° 34' WEST 7.01 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 200

EXHIBIT D

FORM OF NON-FOREIGN AFFIDAVIT

CERTIFICATE OF NON-FOREIGN STATUS

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 transferee that withholding of tax is not required upon the disposition of a United States real property interest by [_____], a [_____] ("**Transferor**"), the undersigned hereby certifies the following on behalf of the Transferor.

1. That the undersigned is the authorized signatory of the Transferor and, in such capacity, has actual knowledge of the matters set forth herein and is duly authorized to execute the certification for the purposes herein expressed;

2. That 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);

3. That Transferor's U.S. employer identification number is _____;

4. That Transferor's address _____; and

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

[SIGNATURE ON THE FOLLOWING PAGE]

Under penalties of perjury, the undersigned declares as of _____, 2010, that the undersigned has examined this certification and, to the best of its knowledge and belief, it is true, correct and complete, and the undersigned further declares that it has the authority to sign this certification on behalf of Transferor.

TRANSFEROR:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2010, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/ their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

Notary Public

EXHIBIT E

FORM OF TENANT ESTOPPEL CERTIFICATE

TENANT ESTOPPEL CERTIFICATE

To:
2558 Mission LLC
355 1st Street #809
San Francisco, California 94105
Attention: Mr. Dean D. Givas, President

Re: _____ (“Lease”)

The undersigned is the Tenant of the Premises under the Lease described above, and hereby certifies as follows:

1. Attached hereto as **Exhibit “A”** is a true, correct and complete copy of the Lease, together with all amendments thereto;
2. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as set forth in **Exhibit “A”**. The interest of the undersigned in the Lease has not been assigned or encumbered in whole or in part.
3. There are no subleases of the Premises and no subtenants. The undersigned is in sole and exclusive possession and occupancy of the Premises.
4. The Lease attached as **Exhibit “A”** represents the entire agreement between the Landlord identified in the Lease and the undersigned as to the undersigned’s leasing of the Premises, and there are no other agreements, written or oral, which affect the occupancy of the Premises by the undersigned or the right of the undersigned to use or purchase the property.
5. All insurance required of the undersigned under the Lease has been provided, all premiums have been paid, and the insurance is currently in full force and effect;
6. The Term of the Lease is _____ commencing on _____ and ending on _____. The undersigned has no rights to renew, extend or cancel the Lease or to lease additional space at 1296 and/or 1298 Shotwell Street in San Francisco, California;
7. All conditions of the Lease to be performed by the Landlord and necessary to the enforceability of the Lease have been satisfied. On this date there are no existing defenses, offsets, claims or credits which the undersigned has against the Landlord or in regard to the Landlord’s enforcement of the Lease;
8. The monthly rent currently payable under the Lease is _____, and such rent has been paid through _____, 2011;

9. The undersigned has made no agreement with the Landlord or any agent, representative or employee of the Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession (except as expressly set forth in the Lease). No rents have been prepaid more than one (1) month in advance.

10. There are no defaults by the undersigned or the Landlord under the Lease, and no event has occurred or situation exists that would, with the passage of time, constitute a default by Landlord or the undersigned under the Lease;

11. The undersigned has paid to the Landlord a security deposit in the amount of \$ _____; and

12. As of this date there are no actions, whether voluntary or otherwise, pending against the undersigned or any guarantor of the Lease under the bankruptcy or insolvency laws of the United States or any state thereof.

The undersigned acknowledges the right of 2558 Mission LLC and its assigns to rely upon the certifications and agreements in this Certificate in purchasing from Landlord the property on which the Premises is situated from Landlord.

EXECUTED this _____ day of _____, 2011.
_____ Tenant

By:

Name:

Title: