

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

LMC SAN FRANCISCO I HOLDINGS LLC,
a Delaware limited liability company
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

1515 South Van Ness Avenue
San Francisco, California

June 17, 2019

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(1515 South Van Ness Avenue, San Francisco)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "**Agreement**") dated for reference purposes only as of June 17, 2019 is by and between LMC SAN FRANCISCO I HOLDINGS LLC, a Delaware limited liability company ("**Seller**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**Buyer**" or "**City**").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties:

A. Seller is the owner of that certain real property located in San Francisco, California, commonly known as 1515 South Van Ness Avenue, Assessor Parcel Numbers Block 6571, Lots 001, 001A, and 008, consisting of approximately thirty five thousand seven hundred fourteen (35,714) square feet of improved land, and more particularly described in the attached Exhibit A (the "**Land**").

B. City desires to purchase the Property (defined in Section 1 below), from Seller and Seller desires to sell the Property of City, on the terms and conditions stated in this Agreement.

IN CONSIDERATION of the mutual covenants of the parties contained in this Agreement and other valuable consideration, Seller and City agree as follows:

1. PURCHASE AND SALE

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants, and conditions hereinafter set forth, the following:

(a) the Land;

(b) all improvements and fixtures located on the Land, including, without limitation, that certain one-story building containing approximately 31,680 square feet of gross area, as well as all other buildings and structures located on the Land, all apparatus, equipment, and appliances used in connection with the operation or occupancy of the Land and its improvements, such as heating and air conditioning systems and facilities used to provide any utility, refrigeration, ventilation, garbage disposal, or other services, and together with all on-site parking (collectively, the "**Improvements**"); and

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

All of the items referred to in subsections (a), (b), and (c) above are collectively referred to as the "**Property**."

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is Nineteen Million and no/100 Dollars (\$19,000,000.00) (the "**Purchase Price**").

2.2 Deposit

Within seven (7) business days after the Effective Date (as defined in Section 12.16 [Effective Date] below), City will deliver to the Title Company (as defined in Section 3.2 [Title Insurance] below), as escrow agent, Five Hundred Thousand and 00/100 Dollars (\$500,000.00) as an earnest money deposit applicable to the Purchase Price (the "**Deposit**"). If Buyer terminates this Agreement for failure of any condition precedent under this Agreement, then City and Seller will equally share all title fees escrow cancellation fees and Seller and City will instruct the Title Company to immediately return the Deposit to City. If the sale of the Property is not consummated because of a Buyer default, then Buyer will pay all title fees escrow cancellation fees and Seller and Buyer will instruct the Title Company to immediately release the Deposit to Seller in accordance with Section 11.2 below. If City terminates this Agreement due to a Seller default, then Seller will pay all title fees escrow cancellation fees and Seller and Buyer will instruct the Title Company to immediately return the Deposit to City. If City elects, the Title Company will deposit the Deposit into an interest bearing account at a bank or financial institution approved by City in writing, and the term "Deposit" will include any interest earned thereon. Unless this Agreement is terminated and the Deposit disbursed as provided in this Agreement, the Deposit will be applied to the Purchase Price at Closing.

2.3 Payment

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

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

2.4 Funds

All payments made by under this Agreement shall be in legal tender of the United States of America, paid in cash or by wire transfer of immediately available funds to Title Company (as defined in Section 3.2 [Title Insurance]), as escrow agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing Seller shall convey to City, or its nominee, marketable and insurable fee simple title to the Property by duly executed and acknowledged grant deed in the form attached

hereto as Exhibit B (the "**Deed**"), subject to the Accepted Conditions of Title (as provided in Section 5.1(a) below [City's Conditions to Closing]).

3.2 Title Insurance

Delivery of title in accordance with the preceding Section shall be evidenced by the commitment of Chicago Title Company (the "**Title Company**") to issue to City, or its nominee, an ALTA extended coverage owner's policy of title insurance (Form ALTA 2006 – updated 6/17/2006) (the "**Title Policy**") in the amount of the Purchase Price, insuring fee simple title to the Property in City, or its nominee, subject only to the Accepted Conditions of Title, as defined in the Due Diligence Agreement and Permit to Enter Property by and between Seller and City dated as of June 17, 2019 (the "**Due Diligence Agreement**") or otherwise accepted by City under the Due Diligence Agreement. If Seller gives notice under Section 1.3(c)(i) of the Due Diligence Agreement that Seller will remove or cure the exceptions objected to by City on or before the Closing and fails to remove the objectionable exceptions from title before the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default under this Agreement and City shall have the rights and remedies provided in this Agreement.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

City has been given a full opportunity to investigate the Property as provided in the Due Diligence Agreement.

5. CITY'S CONDITIONS TO CLOSING

5.1 Conditions Precedent

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

(a) On or before July 25, 2019, City shall have delivered to Seller the Notice to Proceed (as defined in the Due Diligence Agreement).

(b) The Title Company is committed at the Closing to issue to City, or its nominee, the Title Policy as provided in Section 3.2 [Title Insurance].

(c) The physical condition of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation pending or threatened, which after the Closing would materially adversely affect the value of the Property.

(d) Seller is not in default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct in all material respects as of the Closing Date. At the Closing Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 [Representations and Warranties of Seller] below are true and correct in all material respects as of the Closing Date.

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

(f) The transactions contemplated herein shall have been approved by all applicable City departments and agencies, including, without limitation, the City's Board of Supervisors and Mayor, in their respective sole discretion, before the Board of Supervisors and Mayor adopt a resolution authorizing the City to execute this Agreement.

(g) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting, and authorizing this Agreement and the transactions, on or before July 23, 2019.

5.2 Satisfaction or Waiver

The Conditions Precedent contained in the foregoing Section 5.1(a) through 5.1(d) are solely for the benefit of City. If any of those Conditions Precedent are not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement. The Conditions Precedent described in Section 5.1(e), 5.1(f), and 5.1(g) above may not be waived. The Condition Precedent described in Section 5.1(e) shall be deemed satisfied upon receipt from the Title Company of an email or other communication confirming that the Title Company will conduct the Closing. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of Seller. If the Conditions Precedent in Sections 5.1(a), 5.1(f) and 5.1(g) are not satisfied when required, then this Agreement shall automatically terminate in which case the Deposit will be returned to City and the parties shall have no further obligation to each other under this Agreement except for obligations that are expressly intended to survive. If the Conditions Precedent in Section 5.1(b) through 5.1(d) are not satisfied by the Closing Date and not waived by City in writing, then, at City's option, City may terminate this Agreement as of the Closing Date by written notice to Seller, in which case the Deposit will be returned to City and the parties shall have no further obligation to each other under this Agreement except for obligations that are expressly intended to survive. If City does not deliver a notice terminating this Agreement based on any failure of the Conditions Precedent in Section 5.1(b) through 5.1(d), then City shall be deemed to have elected to proceed with the purchase pursuant to the terms of this Agreement.

5.3 Map Act Compliance

The parties acknowledge that the conveyance of the Property is exempt from the California Subdivision Map Act under Government Code section 66428, therefore compliance with the Subdivision Map Act is not a condition precedent to Closing.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Effective Date (as defined in Article 12 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "**Closing**") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement through escrow held by the Title Company, which is located at 455 Market Street, San Francisco, California 94105, on September 6, 2019, or on such other date as is permitted under this Agreement as City and Seller may mutually agree (the "**Closing Date**"), subject to the provisions of Article 5 [City's Conditions to Closing]. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement.

6.3 Seller's Delivery of Documents

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

- (a) a duly executed and acknowledged Deed;
- (b) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit C, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;
- (c) a properly executed California Franchise Tax Board Form 593-C certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;
- (d) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (e) closing statement in form and content satisfactory to City and Seller; and
- (f) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties in all material respects as required by Section 5.1(d) hereof.

6.4 City's Delivery of Documents and Funds

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

- (a) a certificate of acceptance of the Deed executed by City's Director of Property;
- (b) a closing statement in form and content satisfactory to City and Seller; and
- (c) the Purchase Price, as provided in Article 2 above and such other funds necessary to consummate the transaction as provided in this Agreement.

6.5 Other Documents

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

6.6 Title Company as Real Estate Reporting Person

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

7. EXPENSES AND TAXES

7.1 Apportionments

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

(a) Utility Charges

City will request that all utilities serving the Property be transferred to City under City accounts effective as of the Closing Date. Seller shall use commercially reasonable efforts cause all the utility meters to be read on the Closing Date, and will be responsible for the cost of all utilities used before the Closing Date, and City will be responsible for the cost of all utilities used on and after the Closing Date. If Seller is billed for utility services used after the Closing Date, Seller may submit an invoice to City and request reimbursement for such charges. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto. This Section 7.1(a) will survive the Closing Date.

(b) Other Apportionments

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

7.2 Closing Costs

City shall pay the cost of the Survey. Seller shall pay the base premium for the Title Policy plus the cost of any endorsements up to One Thousand Five Hundred Dollars (\$1,500) in the aggregate, and any transfer taxes applicable to the sale. City and Seller will share equally escrow and recording fees. Seller shall be responsible for all costs incurred in connection with any prepayment or satisfaction of any loan, bond, or other indebtedness of Seller secured by the Property including, without limitation, any prepayment fees, penalties, or charges related to that secured indebtedness. Any other costs and charges of the escrow for the sale not otherwise

provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3 Transfer Tax Exemption and Seller Termination Right

If a real estate transfer tax is assessed or imposed with respect Seller's sale of the Property to City in accordance with this Agreement, then Seller shall have the right to terminate this Agreement by written notice to City, in which case the Deposit will be returned to City and the parties shall have no further obligation to each other under this Agreement except for obligations that are expressly intended to survive. Prior to Closing the parties shall cooperate in good faith to obtain written confirmation from the Recorder's office or other applicable governmental authority that no real estate transfer tax will be assessed or imposed on this transaction; provided, however, that receipt of such written confirmation shall not bar Seller from exercising its termination right in this Section 7.3 if in connection with Closing a transfer tax payment is being assessed or imposed.

7.4 Real Estate Taxes and Special Assessments

General real estate taxes payable for the tax year before year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes and any special assessments including, without limitation, interest payable thereon, payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date.

7.5 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

7.6 Survival

The provisions of this Section shall survive the Closing until the date that is six (6) months after the Closing Date.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Seller

For purposes of this Agreement the term "Seller's knowledge" or similar phrase shall mean the actual knowledge of J.J. Abraham (the "**Seller Knowledge Person**"), who Seller represents and warrants is the person in Seller's organization most likely to have the most knowledge about the Property, without any duty to investigate or review the files relating to the Property. In no event shall the Seller Knowledge Person have any personal liability hereunder. Seller represents and warrants to City as follows as of the date of this Agreement and as of the Closing Date:

(a) To Seller's knowledge, no document or instrument furnished by Seller to the City in connection with this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statements contained therein not misleading under the circumstances under which any the statement has been made.

(b) To Seller's knowledge, there are no easements or rights of way that have been acquired by prescription or that are otherwise not of record affecting the Property, and, to Seller's knowledge, there are no easements, rights of way, permits, licenses or other forms of agreement that afford third parties the right to traverse any portion of the Property to gain access to

other real property. To Seller's knowledge, there are no disputes with regard to the location of any fence or other monument of the Property's boundary or any claims or actions involving the location of any fence or boundary.

(c) There is no litigation pending or, after due and diligent inquiry, to Seller's knowledge, threatened, against Seller or any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(d) Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(e) Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware and duly registered as a foreign limited liability company in California; this Agreement and all documents executed by Seller that are to be delivered to City are duly authorized, executed, and delivered by Seller, are legal, valid, and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, and do not violate any provision of any contract, agreement, or judicial order to which Seller is a party or to which Seller or the Property is subject.

(f) Seller represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state, or local governmental agency. In the event Seller has been, or is before the Closing, suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline, or prohibition may result in the termination or suspension of this Agreement, in which case Seller will pay all title fees and escrow cancellation costs, and the Deposit will be returned to City.

(g) Except for a lease between Seller and Cahill Contractors, LLC, which provides for termination on 30 days' notice (the "**Cahill Lease**"), and a billboard lease originally entered into with Gannett Outdoor Company, Inc. of Northern California (the "**Billboard Lease**"; together with the Cahill Lease, the "**Existing Leases**"), there are no leases or other occupancy agreements affecting any of the Property. There are no obligations in connection with the Property that will be binding upon City after Closing, except for matters that are set forth in the Preliminary Report and for the Billboard Lease. At the time of Closing Seller covenants that there will be no outstanding written or oral contracts made by Seller for any work or improvements with respect to the Improvements that have not been fully paid for.

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

(i) Seller carries and will carry until the Closing commercial general liability insurance with respect to the Property in commercially reasonable amounts and with commercially reasonable deductibles, which insurance is issued on an occurrence basis.

8.2 Remedy

Seller's obligations respecting Seller's representations and warranties shall continue after the Closing for a period of only six (6) months, and if City fails to notify Seller as to a breach of any of Seller's representations and warranties within six (6) months after the Closing Date, Seller's liability and obligations with respect to Seller's representations and warranties and City's rights and remedies in respect thereto shall be of no further force or effect. The provisions of this Section

shall survive beyond the Closing, or any termination of this Agreement for the period specified in this Section.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

If any of the Property is damaged or destroyed before the Closing Date and such damage has not been repaired by the Closing Date, or if condemnation proceedings are commenced against any portion of the Property, then the rights and obligations of Seller and City hereunder shall be as follows:

(a) If such damage or destruction affects only a portion of the Property and is fully covered by Seller's insurance except for the deductible amount thereunder, and the insurer agrees to timely pay for the entire cost of such repair (except the deductible), and such damage or destruction would cost less than Two Million and 00/100 Dollars (\$2,000,000.00) (the "**Threshold Damage Amount**") to repair or restore, then this Agreement shall remain in full force and effect and City shall acquire the Property upon the terms and conditions set forth herein. City shall receive a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at Closing all of Seller's right, title, and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument satisfactory to City.

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

(c) If substantially all of the Improvements on the Property are damaged and destroyed, or the cost of such damage or destruction would equal or exceed the Threshold Damage Amount, then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or to not terminate this Agreement and purchase the Property. City shall have thirty (30) days after Seller notifies City damage or destruction to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination, the parties will share equally any title fees and escrow cancellation costs, and the Deposit will be returned to City. If City elects not to terminate this Agreement, Seller shall notify City of Seller's intention to either (A) raze all of the Improvements and leave the Land in a safe and secure condition in accordance with applicable laws, and Seller shall be entitled to receive and retain all insurance proceeds, in which case this Agreement shall remain in full force and effect, or (B) give City a credit against the Purchase Price at the Closing in the amount reasonably determined by City and Seller (after consultation with unaffiliated experts) to be the cost of razing all of the Improvements and leaving the Land in a safe and secure condition in accordance with applicable laws, in which case this Agreement shall otherwise remain in full force and effect, and Seller shall be entitled to any proceeds of insurance or condemnation awards. If Seller elects to raze the Improvements and leave the Land in a safe and secure condition pursuant to this subsection, the work must be completed to City's reasonable satisfaction within one hundred eighty (180) days following such damage or destruction and the Closing shall be extended until the work is so completed.

(d) If condemnation proceedings are commenced against any of the Property (other than by the City or any division or instrumentality thereof), then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or only as to that portion of the Property subject to condemnation proceedings (in which case there shall be an equitable adjustment to the Purchase Price), or to not terminate this Agreement and purchase the Property (or the portion not affected by condemnation, as the case may be). City shall have thirty (30) days after Seller notifies City of receipt of the condemnation notice to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this subsection (d) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination, the parties will share equally any title fees and escrow cancellation costs, and the Deposit will be returned to City. If City elects not to terminate this Agreement, then this Agreement shall remain in full force and effect and City will pay Seller the full purchase price less the amount of any condemnation award previously paid to Seller and Seller will transfer and assign to City at Closing the right to receive any condemnation award not paid as of the Closing Date.

9.2 Insurance

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

9.3 Possession

Possession of the Property shall be delivered to City on the Closing Date. Seller shall deliver the property vacant of tenants or any other occupants, except for the tenant under the Billboard Lease, and shall terminate all service contracts (except for those that City expressly agrees to assume such contracts in writing before the Closing).

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property and operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts

After the date the Director of Property submits legislation for approval by City's Board of Supervisors of this Agreement and so notifies Seller, which may be by email, Seller shall not enter into any lease or contract, or any amendment thereof, without in each instance obtaining City's prior written consent, unless same is cancelable by Seller by the Closing Date and is cancelled by Seller by the Closing Date. City shall not unreasonably withhold or delay any such consent. Seller shall terminate before the Closing, at no cost or expense to City, the Cahill Lease and contracts and management agreements affecting the Property (except those that City expressly agrees to assume such contracts in writing before the Closing). Notwithstanding anything to the contrary herein, Seller shall not be required to terminate the Billboard Lease prior to Closing.

11. DEFAULT

11.1 Seller Default

If the sale of the Property is not consummated because of a Seller default under this Agreement or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City all title and escrow fees and all legal and inspection expenses (as shown in reasonable supporting documentation) incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property in an amount not to exceed in the aggregate Seventy-Five Thousand and 00/100 Dollars (\$75,000), and neither party shall have any further rights or obligations hereunder, or (2) continue this Agreement pending City's action for specific performance, but not damages, but, in connection with such an action for specific performance, City may recover from Seller City's reasonable attorneys' fees and court costs (reasonable attorneys' fees of the City's Office of the City Attorney will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the practice in the City of San Francisco in law firms of approximately the same number of attorneys employed by the Office of the City Attorney). If a Seller default occurs, and City elects to pursue an action against Seller for specific performance as provided in this Section, then City must file such action within four (4) months after the scheduled Closing Date or City shall be deemed to have waived its right to sue for specific performance, and Seller will be liable for damages as provided in clause (1) above.

11.2 Buyer Default

If the sale of the Property contemplated hereby is not consummated because of a default under this Agreement by City, then City agrees to pay to Seller the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) as liquidated damages. The parties have agreed that Seller's actual damages, in the event of a material default by City, would be extremely difficult or impracticable to determine. THEREFORE, BY PLACING THEIR INITIALS BELOW, 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 EXCLUSIVE REMEDY AGAINST CITY, AT LAW OR IN EQUITY, IN THE EVENT OF A MATERIAL DEFAULT UNDER THIS AGREEMENT ON THE PART OF CITY. SELLER AND CITY HAVE INITIALED THIS SECTION 11.2 AS EVIDENCE OF THEIR EXPRESS INTENT TO SO LIQUIDATE ALL DAMAGES AS PROVIDED IN THIS SECTION.

INITIALS: Seller  City _____

12. GENERAL PROVISIONS

12.1 Notices

Unless a specific provision of this Agreement provides otherwise, any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, or (ii) one (1) day after being deposited with a reliable overnight courier service and addressed as follows:

City:

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

Attn: Director of Property
Re: **1515 SVN - MOHCD**
Email Address: Joshua.keene@sfgov.org

And

Mayor's Office of Housing and Community
Development
City and County of San Francisco
1 S. Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Director
Re: **1515 SVN - MOHCD**
Email Address: Jonathan.gagen@sfgov.org

with copy to:

Eileen K. Chauvet
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: **1515 SVN - MOHCD**
Email Address: eileen.chauvet@sfcityatty.org

Seller:

LMC SAN FRANCISCO I HOLDINGS LLC
c/o Lennar Multifamily Communities, LLC
95 Enterprise, Suite 200
Aliso Viejo, CA 92656
Attn: J.J. Abraham, Division President
Email: JJ.Abraham@livelmc.com

With a copy to:

c/o Lennar Corporation
700 NY 107th Street, Suite 400
Miami, FL 33172
Attn: General Counsel
Email: michael.oconnell@lennar.com

With a copy to:

Holt Ney Zatcoff & Wasserman, LLP
100 Galleria Parkway, Suite 1800
Atlanta, GA 30339
Attn: Sanford H. Zatcoff, Esq.
Email: szatcoff@hnzw.com

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by email, to the address listed above, but neither party may give official or binding notice by email. The effective time of a notice shall not be affected by the receipt, before receipt of the original, of an email copy of the notice.

12.2 Brokers and Finders

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

12.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators, and assigns. City may assign this Agreement to any entity under the control of City. City may not assign this Agreement to any other party without the prior written consent of Seller, which may be given or denied in Seller's sole discretion.

12.4 Amendments

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

12.5 Seller Tax Obligations and Seller Termination Right

Seller acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code (“**Delinquent Payments**”). If, under that authority, any payment City is required to make to Seller under this Agreement is withheld, because Seller (and not any affiliate thereof or related party) owes the City a Delinquent Payment, then City will not be in breach or default under this Agreement, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Seller, without interest, late fees, penalties, or other charges, upon Seller coming back into compliance with its San Francisco Business and Tax Regulations Code obligations. Seller has received no notice of delinquency under Section 6.10-2 of the San Francisco Business and Tax Regulations Code. If Seller receives such a notice before Closing, Seller will immediately (within two (2) business days) send a copy of the notice to City. If Seller is deemed to owe Delinquent Payments at the time of Closing and City Treasurer and Tax Collector will not authorize City’s payment of the Purchase Price to Seller, then the Closing will be automatically extended for a period of not more than six (6) months in order to allow Seller to resolve the matter of the Delinquent Payments to the extent necessary for the City Treasurer and Tax Collector to authorize City’s payment of the Purchase Price to Seller; Seller agrees to work in good faith with the City Treasurer and Tax Collector to do so. If, despite Seller’s good faith efforts, the Delinquent Payments are not resolved to the extent necessary to allow the City Treasurer and Tax Collector to authorize City’s payment of the Purchase Price to Seller by the end of the 6-month period, then either party may terminate this Agreement by written notice to the other party, in which case the Deposit will be returned to City and the parties shall have no further obligation to each other under this Agreement except for obligations that are expressly intended to survive.

12.6 Governing Law

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

12.7 Merger of Prior Agreements

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

12.8 Parties and Their Agents; Approvals

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

12.9 Interpretation of Agreement

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

12.10 Attorneys' Fees

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, each party shall pay its own attorneys' and experts' fees and costs, and all court costs and other costs of the action incurred by such party. The term "attorneys' fees" also includes, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "**costs**" means the costs and expenses of counsel to the parties, which may include printing, duplicating, and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

12.11 Sunshine Ordinance

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

12.12 Conflicts of Interest

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

12.13 Notification of Limitations on Contributions

For the purposes of this Section, a "**City Contractor**" is a party that contracts with, or seeks to contract with, the City for the sale or leasing of any land or building to or from the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or

candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Seller further acknowledges that (i) the prohibition on contributions applies to Seller, each member of Seller's board of directors, Seller's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Seller, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Seller, and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract.

12.14 Non-Liability of City Officials, Employees, and Agents

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

12.15 Counterparts

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

12.16 Effective Date

As used in this Agreement, the term "**Effective Date**" means the date on which the City's Board of Supervisors and Mayor enact a resolution approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

12.17 Severability

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

12.18 Cooperative Drafting

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

12.19 Disclaimer of Representations and Warranties; AS-IS Sale

(a) Disclaimer of Representations and Warranties. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT FOR

THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY SELLER IN SECTION 8.1, ABOVE, BUYER UNDERSTANDS AND AGREES THAT NEITHER SELLER NOR ANY OF ITS AGENTS HAS MADE, AND IS NOT NOW MAKING, AND BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON (DIRECTLY OR INDIRECTLY), ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN WITH RESPECT TO THE PROPERTY, INCLUDING WARRANTIES OR REPRESENTATIONS AS TO (i) MATTERS OF TITLE; (ii) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF; (iii) GEOLOGICAL CONDITIONS; (iv) FLOODING OR DRAINAGE; (v) SOIL CONDITIONS; (vi) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY; (vii) USAGES OF ADJOINING PROPERTY; (viii) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF; (ix) THE VALUE, COMPLIANCE WITH PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, SEISMIC, OR OTHER STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE IMPROVEMENTS OR ANY OTHER PORTION OF THE PROPERTY; (x) ANY INCOME, EXPENSES, CHARGES, LIENS, ENCUMBRANCES, RIGHTS, OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF; (xi) THE PRESENCE OF HAZARDOUS MATERIALS, MOLD, TERMITES, PESTS, OR WOOD DESTROYING ORGANISMS IN OR ON, UNDER, OR IN THE VICINITY OF THE PROPERTY; (xii) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE, OR LOCAL ORDINANCES, RULES, REGULATIONS OR LAWS, BUILDING, FIRE, OR ZONING ORDINANCES, CODES, OR OTHER SIMILAR LAWS INCLUDING, WITHOUT LIMITATION, COMPLIANCE WITH THE FAIR HOUSING ACT AND ALL SIMILAR STATE AND LOCAL HOUSING LAWS, ANY APPLICABLE AFFORDABLE HOUSING REQUIREMENTS AND LOCAL RENT CONTROL ORDINANCES; TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990 AND ALL SIMILAR STATE AND LOCAL ACCESSIBILITY LAWS AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS; (xiii) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS; (xiv) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY; (xv) ZONING, OR THE EXISTENCE OF VESTED LAND USE, ZONING, OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (P) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (xvii) THE TAX CONSEQUENCES OF ACQUIRING, OWNING, AND/OR SELLING THE PROPERTY; (xviii) THE FINANCIAL ABILITIES OF, AND THE CONTINUED OCCUPANCY BY, ANY OF THE TENANTS UNDER ANY LEASES; AND (xix) ANY OTHER MATTER RELATING TO THE PROPERTY INCLUDING, BUT NOT LIMITED TO, INCOME, FEASIBILITY, COST, MARKETING, AND INVESTMENT RETURN. BUYER FURTHER ACKNOWLEDGES THAT, EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY SELLER IN SECTION 8.1 ABOVE, ANY INFORMATION OF ANY TYPE THAT BUYER HAS RECEIVED OR MAY RECEIVE FROM SELLER OR ANY SELLER AGENTS INCLUDING, WITHOUT LIMITATION, THE DOCUMENTS, IS FURNISHED ON THE EXPRESS CONDITION THAT ALL SUCH INFORMATION IS BEING FURNISHED WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER.

(b) Sale "As Is." BUYER IS A KNOWLEDGEABLE, EXPERIENCED, AND SOPHISTICATED BUYER AND OWNER OF REAL ESTATE AND BUYER HAS RELIED AND SHALL RELY SOLELY ON (A) BUYER'S OWN EXPERTISE AND THAT OF BUYER'S CONSULTANTS IN PURCHASING THE PROPERTY; (B) BUYER'S OWN KNOWLEDGE OF THE PROPERTY BASED ON BUYER'S INVESTIGATIONS AND INSPECTIONS OF THE PROPERTY; AND (C) THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY SELLER IN SECTION 8.1. BY THE END OF THE

DUE DILIGENCE PERIOD AND THE CLOSING, BUYER WILL HAVE CONDUCTED SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS BUYER DEEMS NECESSARY, INCLUDING THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON THE SAME. BUYER ACKNOWLEDGES AND AGREES THAT AT CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS," WITH ALL FAULTS AND DEFECTS (LATENT AND APPARENT). BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS WITH RESPECT TO THE PROPERTY MADE BY SELLER (OTHER THAN THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY SELLER IN SECTION 8.1 ABOVE), OR ITS AGENTS.

(c) BUYER's Release.

(i) AT THE CLOSING, BUYER 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 BUYER'S INVESTIGATIONS, AND BUYER (INCLUDING ANYONE CLAIMING THROUGH BUYER, INCLUDING ITS SUCCESSORS-IN-INTEREST AND ASSIGNS) SHALL BE DEEMED TO HAVE FULLY AND IRREVOCABLY WAIVED, RELINQUISHED, AND RELEASED SELLER AND EACH OF THE SELLER AGENTS FROM AND AGAINST ANY AND ALL LOSSES OF ANY AND EVERY KIND OR CHARACTER, WHETHER KNOWN OR UNKNOWN, DIRECT OR INDIRECT, FORESEEABLE OR UNFORESEEABLE, ABSOLUTE OR CONTINGENT, THAT BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER AND ANY OF THE SELLER 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, EXCEPT AS EXPRESSLY REPRESENTED AND WARRANTED IN SECTION 8.1 OF THIS AGREEMENT. WITHOUT LIMITING THE SCOPE OR GENERALITY OF THE FOREGOING RELEASE AND WAIVER PROVISIONS, AND SUBJECT TO THE LIMITATIONS SET FORTH ABOVE, THOSE PROVISIONS SHALL SPECIFICALLY INCLUDE AND COVER (A) ANY CLAIM FOR OR RIGHT TO INDEMNIFICATION, CONTRIBUTION, SUBROGATION OR OTHER COMPENSATION, INCLUDING ANY CLAIM BASED ON OR ARISING UNDER ANY ENVIRONMENTAL LAW NOW OR HEREAFTER IN EFFECT, EXCEPT FOR SELLER'S EXPRESS INDEMNITY OBLIGATIONS SET FORTH IN THIS AGREEMENT AND THE DUE DILIGENCE AGREEMENT, WHICH ARE NOT WAIVED; AND (B) ANY CLAIM FOR OR BASED ON TRESPASS, NUISANCE, WASTE, NEGLIGENCE, ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, INDEMNIFICATION, CONTRIBUTION OR OTHER THEORY ARISING AND UNDER THE COMMON LAW OF THE STATE OF CALIFORNIA (OR ANY OTHER APPLICABLE JURISDICTION) OR ARISING UNDER ANY APPLICABLE LAW NOW OR HEREAFTER IN EFFECT.

(ii) Known and Unknown Claims. THE ABOVE RELEASE BY BUYER INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF SELLER AND THE SELLER PARTIES. BUYER SPECIFICALLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 AND ANY STATE OR FEDERAL LAW OF SIMILAR EFFECT. CIVIL CODE SECTION 1542 PROVIDES AS FOLLOWS:

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

(iii) THE FOREGOING PROVISIONS OF THIS SECTION 12.19 SHALL NOT SERVE TO RELEASE SELLER FROM, AND NO RELEASE IN THIS SECTION 12.19 APPLIES TO, AND BUYER EXPRESSLY DOES NOT WAIVE (A) SELLER'S FRAUD, (B) ANY MATERIAL BREACH OF ANY REPRESENTATION OR WARRANTY MADE IN SECTION 8.1 ABOVE, OR (C) WITH RESPECT TO ANY CLAIM MADE BY ANY THIRD PARTY AGAINST BUYER WITH RESPECT TO THE PROPERTY ARISING DURING SELLER'S OWNERSHIP OF THE PROPERTY, AND PROVIDED THAT SUCH CLAIM IS NOT WITHIN THE SCOPE OF BUYER'S INDEMNIFICATION OF SELLER UNDER SECTION 1.2 OF THE DUE DILIGENCE AGREEMENT.

BY INITIALING BELOW, BUYER ACKNOWLEDGES THAT (X) BUYER HAS READ AND FULLY UNDERSTANDS THE PROVISIONS OF THIS SECTION 12.19, INCLUDING EVERY SUBSECTION THEREOF, (Y) BUYER HAS HAD AMPLE OPPORTUNITY TO ASK QUESTIONS OF ITS INDEPENDENT LEGAL COUNSEL ABOUT THE MEANING AND SIGNIFICANCE OF ALL SUCH PROVISIONS, AND (Z) BUYER HAS ACCEPTED AND AGREED TO ALL SUCH PROVISIONS.

Buyer's Initials

[SIGNATURES ON FOLLOWING PAGES]

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED AND ANY SUCH APPROVAL WILL NOT CREATE ANY BINDING OBLIGATIONS ON CITY.

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

SELLER:

LMC SAN FRANCISCO I HOLDINGS LLC,
a Delaware limited liability company

By: Lennar MF Holdings, LLC, a Delaware limited
liability company, its sole member

By: Lennar Multifamily Communities, LLC, a
Delaware limited liability company, its sole
member

Name: 
Vice President

Date: 6/19/19

Signatures continue on Following Page

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
ANDRICO Q. PENICK
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:  _____
Eileen K. Chauvet
Deputy City Attorney

EXHIBIT A

REAL PROPERTY DESCRIPTION

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

PARCEL I:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF 26TH STREET WITH THE WESTERLY LINE OF SHOTWELL STREET; RUNNING THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF 26TH STREET 32 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 82.378 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SERPENTINE AVENUE, AS SAID AVENUE EXISTED PRIOR TO THE VACATION THEREOF BY AN ACT OF THE STATE LEGISLATURE ON MARCH 16, 1878; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY LINE OF SERPENTINE AVENUE; AS IT EXISTED PRIOR TO THE SAID VACATION THEREOF 35.18 FEET, MORE OR LESS, TO THE INTERSECTION THEREOF WITH THE WESTERLY LINE OF ABOVE-MENTIONED SHOTWELL STREET; THENCE NORTHERLY ALONG SAID LINE OF SHOTWELL STREET 97 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.
BEING A PORTION OF MISSION BLOCK NO. 200.

PARCEL II:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SHOTWELL STREET, DISTANT THEREON SOUTH 4° 15' EAST, 97 FEET FROM THE SOUTHERLY LINE OF 26TH STREET; RUNNING THENCE NORTH 69° 30' WEST ALONG THE NORTHEASTERLY LINE OF SERPENTINE AVENUE, AS SAID AVENUE FORMERLY EXISTED PRIOR TO THE CLOSING THEREOF, 48.257 FEET TO THE WESTERLY LINE, PRODUCED NORTHERLY, OF SHOTWELL STREET; THENCE SOUTH 4° 15' EAST ALONG SAID LINE OF SHOTWELL STREET, SO PRODUCED, 40.077 FEET TO THE NORTHWESTERLY LINE OF SHOTWELL STREET; THENCE NORTH 61° 21' 24" EAST ALONG LAST-MENTIONED LINE; 48.12 FEET TO THE POINT OF BEGINNING.

PARCEL III:

BEGINNING AT A POINT WHICH IS DISTANT NORTH 84° 34' WEST 107.65 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 84° 34' WEST, 2.676 FEET; THENCE NORTH 14° 49' 38"; EAST; 60.357 FEET TO THE POINT OF INTERSECTION WITH A LINE DRAWN NORTH 88° 36' 34"; EAST PARALLEL WITH THE SAID NORTHERLY LINE OF ARMY STREET FROM A POINT WHICH IS PERPENDICULARLY DISTANT SOUTHERLY 173.590 FEET FROM THE SOUTHERLY LINE OF 26TH STREET AND ALSO PERPENDICULARLY DISTANT EASTERLY 27 FEET FROM THE EASTERLY LINE OF SOUTH VAN NESS AVENUE, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING OF THE PROPERTY TO BE DESCRIBED; RUNNING THENCE NORTH 14° 49' 38"; EAST, 74.08 FEET TO A LINE DRAWN SOUTH 88° 41' 39" WEST FROM A POINT ON THE WESTERLY LINE OF SHOTWELL STREET, PRODUCED NORTHERLY, DISTANT THEREON 207.109 FEET NORTHERLY FROM SAID NORTHERLY LINE OF ARMY STREET; THENCE NORTH 88° 41' 39" EAST, 64.91 FEET TO SAID LINE OF SHOTWELL STREET; THENCE NORTHERLY ALONG SAID LINE OF SHOTWELL STREET 35.41 FEET TO THE NORTHEASTERLY LINE OF SERPENTINE AVENUE, AS SAID AVENUE EXISTED PRIOR TO THE CLOSING THEREOF; THENCE SOUTHEASTERLY ALONG SAID LINE OF SERPENTINE AVENUE 12.962 FEET TO A LINE DRAWN SOUTHERLY AT A RIGHT ANGLE TO THE SOUTHERLY LINE OF 26TH STREET FROM A POINT DISTANT THEREON 32 FEET WESTERLY FROM ITS

INTERSECTION WITH THE WESTERLY LINE OF SHOTWELL STREET; THENCE NORTH 4° 15' WEST, ALONG SAID LINE SO DRAWN, 82.378 FEET TO THE SOUTHERLY LINE OF 26TH STREET; THENCE SOUTH 85° 45' WEST ALONG LAST SAID STREET LINE 212.99 FEET TO THE EASTERLY LINE OF SOUTH VAN NESS AVENUE; THENCE SOUTH 4° 15' EAST ALONG SAID LINE OF SOUTH VAN NESS AVENUE 172.244 FEET TO A POINT DISTANT THEREON 100.00 FEET NORTHERLY FROM THE INTERSECTION OF THE SOUTHERLY PRODUCTION THEREOF WITH THE WESTERLY PRODUCTION OF THE NORTHERLY TANGENT LINE OF THAT CERTAIN PROPERTY DESCRIBED IN DEED EXECUTED BY CATHERINE DUNLEA, ET AL, TO THE CITY AND COUNTY OF SAN FRANCISCO, FILED JUNE 27, 1941, RECORDED NOVEMBER 13, 1941, IN BOOK 3827 OF OFFICIAL RECORDS, PAGE 69, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA; THENCE NORTH 88° 36' 34" EAST PARALLEL WITH SAID LINE OF ARMY STREET 112.35 FEET TO THE TRUE POINT OF BEGINNING. BEING A PORTION OF MISSION BLOCK NO. 200.

Assessor's: Lot 001; Block 6571, Lot 001A; Block 6571 AND Lot 008; Block 6571

EXHIBIT B
GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

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

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

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

GRANT DEED

(Assessor's Parcel Nos. 6571-001, 001A, and 008)

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

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

[SIGNATURES ON FOLLOWING PAGE]

Executed on _____, 20__.

—

LMC SAN FRANCISCO I HOLDINGS LLC,
a Delaware limited liability company

By: Lennar MF Holdings, LLC, a Delaware limited liability
company, its sole member

By: Lennar Multifamily Communities, LLC, a Delaware
limited liability company, its sole member

Name: _____
Vice President

Date: _____

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

State of California)
) ss
County of San Francisco)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
Andrico Q. Penick
Director of Property

EXHIBIT C

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

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by LMC SAN FRANCISCO I HOLDINGS LLC, a Delaware limited liability company ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

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

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

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

Dated: _____, 20__.

On behalf of:

LMC SAN FRANCISCO I HOLDINGS LLC,
a Delaware limited liability company

By: Lennar MF Holdings, LLC,
a Delaware limited liability company,
its sole member

By: Lennar Multifamily Communities, LLC,
a Delaware limited liability company, its sole member

Name: _____
Vice President

Date: _____