

File No. 250898

Committee Item No. 7

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date September 17, 2025

Board of Supervisors Meeting Date _____

Cmte Board

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| ☒ | ☐ | Resolution |
| ☐ | ☐ | Ordinance |
| ☐ | ☐ | Legislative Digest |
| ☒ | ☐ | Budget and Legislative Analyst Report |
| ☐ | ☐ | Youth Commission Report |
| ☐ | ☐ | Introduction Form |
| ☒ | ☐ | Department/Agency Cover Letter and/or Report |
| • RED Letter 8/29/2025 | | |
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OTHER (Use back side if additional space is needed)

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| ☒ | ☐ | <u>PLN General Plan Referral 7/28/2025</u> |
| ☒ | ☐ | <u>DPH Presentation 9/17/2025</u> |
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Completed by: Brent Jalipa Date September 11, 2025

Completed by: Brent Jalipa Date _____

1 [Purchase of Real Property - 290 Division (EAT) LLC, 1660 Mission LLC, Skyline Capital -
2 1660 and 1670 Mission Street - \$18,500,000 and \$30,000 in Escrow Costs]

3 **Resolution 1) approving and authorizing the Director of Property to acquire certain real**
4 **property located at 1660 and 1670 Mission Street (“Property”); 2) approving and**
5 **authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of**
6 **the Property for the purchase price of \$18,500,000 plus an estimated \$30,000 for typical**
7 **closing costs, for a total amount of \$18,530,000 from 290 Division (EAT) LLC, 1660**
8 **Mission LLC, a California limited liability company and Skyline Capital, a Wyoming**
9 **limited liability company (“Purchase Agreement”); 3) authorizing the Director of**
10 **Property to execute the Purchase Agreement, make certain modifications, and take**
11 **certain actions in furtherance of this Resolution and the Purchase Agreement, as**
12 **defined herein, effective upon approval of this Resolution; 4) affirming the Planning**
13 **Department’s determination under the California Environmental Quality Act; and 5)**
14 **adopting the Planning Department’s findings that the Purchase Agreement, and the**
15 **transaction contemplated therein, is consistent with the General Plan, and the eight**
16 **priority policies of Planning Code, Section 101.1.**

17
18 WHEREAS, The Department of Public Health (“DPH”) first opened what is known as
19 the San Francisco City Clinic (“City Clinic”), then known as the Municipal Clinic in 1933,
20 treating sexually transmitted infections; and

21 WHEREAS, In 1982, it relocated to its current location at 356-7th Street, in a closed fire
22 station, and was renamed San Francisco City Clinic; and

23 WHEREAS, The building at 356-7th Street is not fully ADA-compliant and lacks proper
24 heating and ventilation, sufficient space for important point of care testing, and proper
25 consultation rooms for City Clinic to continue operating at this site; and

1 WHEREAS, In November 2024, the Citizens of San Francisco passed Proposition B,
2 which included a bond measure to fund a new location for the City Clinic and other community
3 health facilities; and

4 WHEREAS, The Behavioral Health Access Center, Behavioral Health Services
5 Pharmacy, and OBIC Clinic (“Behavioral Health Programs”) serve as key, longstanding
6 elements of DPH’s behavioral health system; and

7 WHEREAS, The Behavioral Health Programs are currently located at 1380 Howard
8 Street, a leased building that is outdated, inadequately sized, and cannot be expanded to
9 meet the need for behavioral health treatment and recovery services in San Francisco; and

10 WHEREAS, In June 2023, DPH was awarded capital funding from the California
11 Department of Health Care Services (“DHCS”) to acquire a new property to relocate and
12 expand the Behavioral Health Programs; and

13 WHEREAS, San Francisco has a need for a center available for law enforcement
14 where individuals intoxicated in public will be safely transitioned and where they can be
15 monitored, stabilized, and connected to appropriate care; and

16 WHEREAS, DPH, in consultation with the Real Estate Division (“RED”), undertook an
17 extensive search for appropriate buildings and identified 1660 and 1670 Mission Street
18 (“Property”) as the most suitable available location to centralize and co-locate City Clinic and
19 critical behavioral health programs; and

20 WHEREAS, The Property consists of a six-story building of approximately 75,321
21 square feet with 52 underground parking spaces, and an adjacent parking lot of approximately
22 5,340 square feet; and

23 WHEREAS, The Property was constructed in 1990 and acquired by the City in 1993,
24 where the Department of Building Inspection (“DBI”) most recently operated; and
25

1 WHEREAS, The Board of Supervisors approved the sale of the Property in 2017 for
2 \$36,000,000 in File No. 170213 to partially fund the construction of the consolidated home
3 of City permitting and public works departments at 49 South Van Ness Avenue, where DBI
4 currently resides; and

5 WHEREAS, The City, through DPH and RED, in consultation with the Office of the City
6 Attorney, has negotiated the Purchase Agreement to acquire the Property from the Seller for
7 \$18,500,000 ("Purchase Price"), substantially in the form approved by the Director of Property
8 and the Director of Health and on file with the Clerk of the Board of Supervisors in File
9 No. 250898, incorporated herein by reference; and

10 WHEREAS, DPH, in consultation with RED and the Department of Public Works
11 ("DPW"), has determined that the building meets a seismic standard of SHR-3, considered
12 acceptable for use by City staff; and

13 WHEREAS, The building will require remodeling and replacement of building
14 mechanical systems to co-locate and centralize critical public health services in a modern,
15 city-owned facility; and

16 WHEREAS, DPH will work with DPW to develop construction documents to meet
17 program plans; and

18 WHEREAS, The Purchase Price, plus an estimated \$30,000 for typical closing costs,
19 are collectively referred to as the "Acquisition Cost"; and

20 WHEREAS, Pursuant to Chapter 23, a third-party independent appraisal and review
21 appraisal, reviewed and accepted by the Director of Property, has determined the Purchase
22 Price to be at or below fair market value; and

23 WHEREAS, The Purchase Agreement will not become effective until the Board of
24 Supervisors and the Mayor approve this Resolution, in their sole and absolute discretion; and
25

1 WHEREAS, The Planning Department has determined that the actions contemplated in
2 this Resolution comply with the California Environmental Quality Act (“CEQA Determination”)
3 (California Public Resources Code, Sections 21000 et seq.); the Planning Department has
4 also determined that the actions contemplated in this Resolution are consistent, on balance,
5 with the General Plan, and eight priority policies of Planning Code, Section 101.1 (“General
6 Plan Findings”); a copy of said determination (“Planning Letter”) is on file with the Clerk of the
7 Board of Supervisors in File No. 250898 and is incorporated herein by reference; the Board
8 affirms these determinations; now, therefore, be it

9 RESOLVED, That in accordance with the recommendations of the Director of Health
10 and the Director of Property, in consultation with the City Attorney, the Board of Supervisors
11 approves the Purchase Agreement in substantially the form presented to the Board, and
12 authorizes the Director of Property to take all actions necessary or appropriate to acquire the
13 Property; and, be it

14 FURTHER RESOLVED, That, in accordance with the recommendations of the
15 Director of Health and the Director of Property, the Board of Supervisors approves the
16 Director of Health and the Director of Property to take all actions necessary or appropriate
17 to effectuate the Purchase Agreement and this Resolution; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors approves the Director of
19 Property in consultation with the Director of Health and the Office of the City Attorney, to
20 enter into any additions, amendments, or other modifications to the Purchase Agreement
21 and any other documents or instruments necessary in connection therewith (including but
22 not limited to the exhibits and ancillary agreements attached to the Purchase Agreement),
23 that the Director of Property determines are in the best interests of the City, do not
24 materially decrease the benefits to the City with respect to the Property, do not materially
25 increase the obligations or liabilities of the City, and are necessary or advisable to complete

1 the transaction contemplated in the Purchase Agreement, and that effectuate the purpose
2 and intent of this Resolution, such determination to be conclusively evidenced by the
3 execution and delivery by the Director of Property of any such additions, amendments, or
4 other modifications; and, be it

5 FURTHER RESOLVED, The Board of Supervisors affirms the Planning
6 Department's CEQA Determination and General Plan Findings, for the same reasons as
7 set forth in the Planning Letter, and hereby incorporates such determinations by reference
8 as though fully set forth in this Resolution; and, be it

9 FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the
10 Board of Supervisors with a fully executed copy of the Purchase Agreement within thirty (30)
11 days (or as soon thereafter as final documents are available) of execution by all parties.

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Prop C – Site Acquisition	
Fund ID	10582
Dept ID	240645
Project ID	10036747
Authority ID	21531
Account ID	506070
Activity ID	0005

Available: \$ 18,530,000

/s/
Michelle Allersma, Budget and Analysis
Division Director on behalf of
Greg Wagner, Controller

Funding for Fiscal Year 2025/2026 is
subject to the enactment of the Annual
Appropriation Ordinance for Fiscal Year
2025/2026

RECOMMENDED:

/s/
Sarah R Oerth
Director of Property

RECOMMENDED:

/s/
Jenny Louie
Chief Operating Officer
Department of Public Health

Item 7 File 25-0898	Department: Department of Public Health (DPH) Real Estate Division (RED)
EXECUTIVE SUMMARY	
Legislative Objectives	
The proposed resolution would approve a purchase and sale agreement with 290 Division (EAT) LLC, 1660 Mission LLC, and Skyline Capital LLC, for the purchase of two parcels at 1660 and 1670 Mission Street. The cost of the purchase is \$18.53 million.	
Key Points	
- The Department of Public Health is seeking to establish a Health, Recovery and Connection Center, which will co-locate City Clinic, behavioral health services, and administrative functions. The behavioral health functions are currently largely operating out of leased space at 1380 Howard Street and City Clinic is in City-owned space at 356 Seventh Street. According to the Real Estate Division, both buildings are in poor condition. - According to DPH, the tenants at 1660 Mission will include (1) City Clinic, (2) Behavioral Health Access Center (BHAC), (3) Office-Based Buprenorphine Induction Clinic (OBIC), (4) Behavioral Health Services Pharmacy, (5) Office of Coordinated Care, (6) Behavioral Health administrative functions, and (7) a new law enforcement drop-off behavioral health program that is part of the Mayor's <i>Breaking the Cycle</i> Initiative.	
Fiscal Impact	
- The proposed purchase will cost \$18.53 million and is funded by Homeless Gross Receipts Tax revenue. - In addition, DPH estimates that \$56.67 million in renovations is necessary to convert the 1660 Mission building from an open office layout to clinical spaces. The renovation costs are funded by general obligation bonds, a state grant, and other capital revenues and are expected to be complete in 2028. DPH has not identified a funding source for the projected \$7.5 million in furniture, fixtures, and equipment needed for the site. - We estimate the City will save approximately \$1.7 million per year by moving from leased to owned space. - DPH is not planning on increasing the costs of existing programs at 1660 Mission and estimates the new drop off program will cost \$3.1 million in FY 2025-26. The drop off program will operate from an interim location until the renovations at 1660 Mission are complete.	
Recommendation	
Approve the proposed resolution.	

MANDATE STATEMENT

Administrative Code Section 23.3 states that the Board of Supervisors must approve acquisitions and conveyances of real property by resolution. An appraisal of the property is required if the Real Estate Division determines that the fair market value is greater than \$10,000 and an appraisal review if the fair market value is greater than \$200,000.

BACKGROUND

The Department of Public Health is seeking to establish a Health, Recovery and Connection Center, which will co-locate City Clinic, behavioral health services, and administrative functions. The behavioral health functions are currently largely operating out of leased space at 1380 Howard Street and City Clinic is in City-owned space at 356 Seventh Street. According to the Real Estate Division, both buildings are in poor condition.

1380 Howard has poor building systems and poor temperature control. The site currently has offices for the following DPH functions: (1) Business Office, (2) Finance, (3) Information Technology, (4) Behavioral Health Access Center (BHAC), (5) Office-Based Buprenorphine Induction Clinic (OBIC), (6) Behavioral Health Services Pharmacy, and (7) Behavioral Health Services administration.

City Clinic has failing building systems, no temperature control, and is not fully ADA-accessible, according to the Department of Public Health. Moving City Clinic will make the clinic fully ADA-accessible, create a more comfortable patient experience, and will ensure a safer and more functional lab.

The Real Estate Division recommends the purchase of 1660 Mission Street, a building previously owned by the City until 2017, to relocate City Clinic and behavioral health programs from 1380 Howard Street and 1360 Mission Street. The building was selected due to its condition, proximity to transit, and in consideration of the impact of the services on the surrounding neighborhood.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would:

1. Authorize the Director of Property to acquire two parcels of real property at 1660 and 1670 Mission Street;
2. Approve a purchase and sale agreement with 290 Division (EAT) LLC, 1660 Mission LLC, and Skyline Capital LLC, the owners of 1660 and 1670 Mission Street, for a purchase price of \$18,500,000 plus an estimated \$30,000 for closing costs
3. Authorize the Director of Property to modify the agreement so long as the changes do not materially decrease the benefits or increase the liabilities of the City.
4. Affirm the Planning Department's determination that the purchase is not a project under the California Environmental Quality Act (CEQA) and adopt the Planning Department's findings of consistency with the General Plan and Planning Code.

1660 Mission Street is a 75,321 rentable square foot, seven-story building (including a basement), located near the intersection of Mission and Otis Streets. It was owned by the City between 1993 and 2017, when it was sold for \$36 million. DBI continued to occupy and lease the site between 2017-2020, and the building has been vacant since then. It has 58 basement parking spaces.

Appraisal

Based on an appraisal conducted in July 2025 and revised in August 2025, the purchase price is at or below fair market value. The appraisal was reviewed in August 2025 by another appraiser, who generally endorsed the appraisal conclusions. The revised appraisal incorporated feedback from the appraisal review.

Building Condition

In 2013, the Department of Public Works (DPW) Infrastructure Design and Construction Division, Structural Engineering Section completed a seismic evaluation of 1660 Mission Street. The analysis concluded that the building had a Seismic Hazard Rating of 3, meaning that the potential for collapse is low and life safety risk during an earthquake is low. Any repairs needed after an earthquake could likely be done while the building remained occupied. No additional seismic improvements are planned or necessary, according to the Real Estate Division.

In 2017, a consultant prepared a Phase One Environmental Site Assessment Report for one of the property owners of 1660 Mission. The assessment reviewed documentation of the building and land history and concluded that there was no environmental remediation needed. No additional environmental analysis or remediation is planned or necessary, according to the Real Estate Division. However, a hazardous materials assessment will still be conducted prior to the implementation of proposed improvements.

Rehabilitation Work

According to a letter from the Director of Property to the Board of Supervisors, the building requires “substantial” renovations. According to DPH facilities staff, the Department estimates that \$56.67 million in renovations is necessary to convert the building from an open office layout to clinical spaces. This is based on cost estimates prepared for these programs at other properties that were considered for purchase. Renovations include a complete overhaul of floor designs, new HVAC and other building systems, and new elevators and are expected to be complete in 2028.

Tenants and Space Plan for 1660 Mission

According to DPH, the tenants at 1660 Mission will include (1) City Clinic, (2) Behavioral Health Access Center (BHAC), (3) Office-Based Buprenorphine Induction Clinic (OBIC), (4) Behavioral Health Services Pharmacy, (5) Office of Coordinated Care, (6) Behavioral Health administrative functions, and (7) a new law enforcement drop-off behavioral health program that is part of the Mayor’s *Breaking the Cycle* Initiative. Exhibit 1 below shows the space plan for 1660 Mission.

Exhibit 1: 1660 Mission Street Space Plan

Program	Current Location	Net Square Feet	Description
City Clinic	356 7th Street	17,755	Sexual health clinic
Behavioral Health Access Center (BHAC)	1380 Howard	3,765	Entry point for mental health and substance use treatment
Office-Based Buprenorphine Induction Clinic (OBIC)	1380 Howard	3,030	Walk-in treatment clinic for opioid use
Behavioral Health Services Pharmacy	1380 Howard	7,657	Pharmacy for behavioral health patients
Office of Coordinated Care & Behavioral Health Administration	1360 Mission & 1380 Howard	21,382	Office space for behavioral health case managers and administrative staff
Drop-Off Program	New	5,937	Law enforcement drop-off

Source: RED and DPH.

Notes: The remaining tenants at 1380 Howard Street will be relocated to Laguna Honda, which DPH is also renovating to increase capacity for administrative functions. The total net square feet in Exhibit 1 above is 59,526 but does not include common space. DPH completed a test-fit analysis of 1660 Mission and believes the 75,321 rentable square feet is sufficient and appropriate for these programs.

FISCAL IMPACT

The total cost to purchase 1660-1670 Mission Street is \$18,530,000. The purchase will be paid for by Homelessness Gross Receipts Tax.

Exhibit 2 below shows the sources and uses for the purchase and renovation work.

Exhibit 2: Sources and Uses for 1660 Mission Purchase and Renovations

Sources	Amount
2024 Vibrant SF GO Bond	27,800,000
Homelessness Gross Receipts Tax	26,500,000
Behavioral Health Continuum Infrastructure	
Program State Grant	10,000,000
General Fund	8,400,000
DPH capital budgets	1,500,000
2020 Health & Recovery GO Bond	1,000,000
Total Sources	75,200,000
Uses	Amount
1660 Mission Purchase (Proposed Resolution)	18,530,000
<u>Renovations</u>	
Design, Permitting, and Project Administration	17,000,000
Construction	39,700,000
Renovations, Subtotal	56,700,000
Furniture, Fixtures, & Equipment	7,500,000
Total Uses	82,730,000

Source: RED and DPH

The proposed resolution approves the \$18.53 million purchase of 1660 Mission.

Renovation and FF&E Budget

The renovation budget is a high-level estimate based on the costs for renovating office and clinical space informed by previous designs for a Health, Recovery and Connection Center and is subject to change.

\$65.2 million for the purchase and renovation have already been appropriated, including \$26.5 million of Homelessness Gross Receipts Tax revenue, \$9.9 million of General Fund and other DPH capital revenues, and \$28.8 million in general obligation bonds. DPH is requesting the Board of Supervisors to accept \$10 million in state grant funding as part of a companion resolution (File 25-0897). According to DPH staff, the state grant must be applied to a project for which the City has site control by October 17, 2025, or the state may rescind the funding.

DPH will work with the Mayor's Office to identify a funding source for the \$7.5 million in furniture, fixtures, and equipment expenses.

Building Lease and Operating Costs

The City will also save money by ending its lease at 1380 Howard Street and relocating programs to City-owned space at Laguna Honda and 1660 Mission. We estimate that the City will save \$1.7 million per year by moving to City-owned space, as shown below in Exhibit 3.

The City may also generate one-time revenue from selling 356 Seventh Street; however, the site may also be redeveloped for another City use. The lot is relatively small at 3,998 square feet, as is the building's interior, approximately 8,000 square feet.

Exhibit 3: Building and Lease Costs, Current and Projected (without escalation)

Building and Lease Costs, Current	Amount
356 7th Street (Owned)	\$120,000
1380 Howard (Leased)	\$3,138,038
Total Current Costs	\$3,258,038
New Costs	
Laguna Honda (Owned)	\$383,760
1660 Mission (Proposed for Ownership)	\$1,129,815
Total Projected Costs	\$1,513,575
Difference	-\$1,744,463

Source: BLA. DPH believes building operating costs for 1660 Mission may be lower than our projection as a result of the planned improvements.

New Operating Costs

The proposed purchase of 1660 Mission is largely intended to relocate existing City specialty care and behavioral health programs with improved space and co-location of services. DPH therefore expects to increase programming capacity without incurring new programmatic operating costs as a result of the move.

In addition, 1660 Mission will house a new drop-off behavioral health program. This will be funded by the General Fund. The FY 2025-26 – FY 2026-27 budget assumed a program start date in 2026 and included \$1.3 million in FY 2025-26 and \$3.1 million in FY 2026-27 for this program. DPH is pursuing an interim space for this service until 1660 Mission opens in 2028.

RECOMMENDATION

Approve the proposed resolution.

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

290 DIVISION (EAT) LLC,
a California limited liability company,

1660 MISSION LLC,
a California limited liability company

and

SKYLINE CAPITAL LLC,
a Wyoming limited liability company

collectively, as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

1660 Mission Street and 1670 Mission Street
San Francisco, California
(APN 3512-005 and APN 3512-006)

July 25, 2025

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LIST OF SCHEDULES AND EXHIBITS

EXHIBIT A – Real Property Description
 EXHIBIT B – Grant Deed
 EXHIBIT C – FIRPTA Affidavit
 EXHIBIT D – Apportionment Notice

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(1660 Mission Street and 1670 Mission Street)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (“**Agreement**”) dated for reference purposes only as of July 25, 2025 is by and between 290 DIVISION (EAT) LLC, a California limited liability company, as to a 50% undivided ownership interest; 1660 MISSION LLC, a California limited liability company, as to a 40% undivided ownership interest; and SKYLINE CAPITAL LLC, a Wyoming limited liability company, as to a 10% undivided ownership interest, as tenants in common (collectively, “**Seller**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**Buyer**” or “**City**”).

IN CONSIDERATION of the payment of the non-refundable sum of One Hundred and No/100 Dollars (\$100.00) by City, the receipt of which is hereby acknowledged by Seller, and the respective agreements contained hereinbelow, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Property Included in Sale

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

(a) the real property consisting of approximately fourteen thousand one hundred twenty four (14,124) square feet of land, located in the City and County of San Francisco, commonly known as 1660 Mission Street (APN 3512-005) together with the real property consisting of approximately five thousand three hundred forty (5,340) square feet of land, located in the City and County of San Francisco, commonly known as 1670 Mission Street (APN 3512-006), both of which are more particularly described in the attached Exhibit A (collectively, “**Land**”);

(b) all improvements and fixtures located on the Land, including, without limitation, that certain 7-story office building containing approximately seventy-five thousand three hundred twenty-one (75,321) square feet of net rentable area and known as 1660 Mission Street, 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 (currently, approximately fifty-eight subsurface (58) parking spaces) (collectively, “**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 any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller’s right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements, but expressly excluding any such items exclusively related or attributable to Seller’s ownership of the adjacent land and improvements located at and commonly known as 1680 Mission Street, San Francisco, California (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 Eighteen Million Five Hundred Thousand Dollars and No/100 Dollars (\$18,500,000) (the “**Purchase Price**”).

2.2 Payment

(a) On the Closing Date (as defined below), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7, and reduced by any credits due City hereunder.

(b) Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3(h) and 6.3(i) 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 properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller’s obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected by such withholding.

2.3 Funds

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

3.2 Title Insurance

Delivery of title in accordance with the preceding Subsection shall be evidenced by the commitment of Chicago Title NCS California Insurance Company (the “**Title Company**”) to issue to City 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 Land, the Appurtenances and the Improvements in City free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, rights of tenants or other occupants. The Title Policy shall provide full coverage against mechanics’ and materialmen’s liens arising out of the construction, repair or alteration of any of the Property, and shall contain an affirmative endorsement that there are no violations of restrictive covenants, if any, affecting the Property and such other special endorsements as City may reasonably request. The Title Policy shall also provide for reinsurance with direct access with such companies and in such amounts as City may reasonably request.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 Due Diligence and Time for Satisfaction of Conditions

City acknowledges, agrees and confirms that City has been afforded a full opportunity to investigate the Property, either independently or through agents of City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as City deemed fit, as well as the suitability of the Property for City's intended uses until 5:00 pm on July 14, 2025 ("**Due Diligence Period**"). In accordance with that certain letter of intent by and between City and Seller, dated May 21, 2025 (the "**LOI**"), Seller represents and warrants that it has delivered to City all of the plans, reports and documents material to the Property described under the terms of the LOI and the following documents, all to the extent such documents exist and are either in the possession or control of Seller, or any affiliate of Seller, or may be obtained by Seller, or any affiliate of Seller, through the exercise of commercially reasonable efforts: structural calculations for the Improvements; site plans; certified copies of the as-built plans and specifications for the Improvements; recent inspection reports by Seller's engineers; service contracts; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after the Closing; certificates of occupancy; presently effective warranties or guaranties received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repair or alteration of the Improvements or any tenant improvements; insurance policies, insurance certificates of tenants, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Property (collectively, "**Documents**"); and (ii) such other information relating to the Property that was specifically requested by City of Seller in writing during the Due Diligence Period (collectively, "**Other Information**").

4.2 Preliminary Report and Survey

City acknowledges, agrees and confirms that City reviewed and approved, within the Due Diligence Period, the physical and environmental conditions of the Property, including, without limitation, structural, mechanical, electrical and other physical conditions of the Property. City also obtained a current extended coverage preliminary report on the Property, issued by the Title Company, accompanied by copies of all documents referred to in the report (collectively, "**Preliminary Report**"). Seller represents and warrants that, to Seller's actual knowledge, Seller has provided City with copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report.

City may at its option at any time prior to the Closing arrange for an "as built" survey of the Property prepared by a licensed surveyor ("**Survey**"). Such Survey shall be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for the Title Policy without boundary, encroachment or survey exceptions.

5. ENTRY

At all times prior to the Closing Date Seller shall afford City and its Agents (defined below) reasonable access to the Property and all books and records located therein for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein and the satisfaction of the Conditions Precedent (defined below) including, without limitation, the drilling of test wells and the taking of soil borings. City hereby agrees to

indemnify and hold Seller harmless from any damage or injury to persons or property caused by the active negligence or willful misconduct of City or its Agents during any such entries onto the Property prior to the Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about the Property. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable, provided that Seller must give notice of any claim it may have against City under such indemnity (i) within six (6) months of such termination if the claim is brought by a third party against Seller or (ii) within three (3) months of such termination or the Closing Date, as applicable, if the claim involves damage to the Property or any other claim not brought by a third party against the Seller.

5.1 City's Conditions to Closing

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

(a) Seller shall not be 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 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 below are true and correct as of the Closing Date.

(b) Any existing leases shall have been terminated or expired by the terms thereof, and the Property shall be vacant, unoccupied and free and clear of any tenants on or before the Closing.

(c) The transactions contemplated herein shall have been approved by all applicable City departments and agencies, including, without limitation, the Real Estate Division and the Department of Public Health, in their respective good faith and reasonable discretion.

(d) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have passed legislation approving, adopting and authorizing this Agreement and the transactions.

(e) The City Controller shall have certified the availability of funds to pay the Purchase Price.

(f) There shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(g) Title Company shall be committed at the Closing to issue to City, (i) the Title Policy as provided in Section 3.2 and (ii) an ALTA extended coverage policy of leasehold title insurance in the amount of the Purchase Price subject only to the Accepted Conditions of Title together with the same endorsements as the Title Policy.

(h) Seller shall have delivered the items described in Section 6.3 below on or before the Closing.

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

The Conditions Precedent contained in the foregoing Subsections (a) through (i) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the Conditions Precedent described in items c and d above may not be waived. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. The Closing Date may be extended, at City's option, for a reasonable period of time specified by City not to exceed ten business days, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all such Conditions Precedent have not been satisfied.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election, either (1) continue this Agreement pending City's action for specific performance and/or damages hereunder, including, without limitation, City's costs and expenses incurred hereunder up to a maximum amount of \$50,000.00 or (2) seek any other remedy available at law or in equity including a writ of mandate or injunctive relief or, if options (1) or (2) are not available to City, (3) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property up to a maximum amount of \$50,000.00, and neither party shall have any further rights or obligations hereunder.

5.2 Cooperation with City

Seller, at no additional material cost to Seller, shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent. Until the Closing or earlier termination of this Agreement, Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

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

6.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the “**Closing**”) shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Title Company located at 150 Spear Street, Suite 825, San Francisco, CA 94105 on the date that is fifteen (15) business days after the Effective Date, or on such earlier date as City and Seller may mutually agree (the “**Closing Date**”), subject to the provisions of Article 5. The Closing shall occur no later than 10:00 A.M. on the Closing Date. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close. Notwithstanding anything to the contrary contained in this Agreement, in the event that the Closing has not occurred by October 31, 2025, then Seller may terminate this Agreement at its option by providing Buyer with written notice thereof.

6.3 Seller’s Delivery of Documents

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

- (a) a duly executed and acknowledged Deed in recordable form;
- (b) originals of the Documents and any other items relating to the ownership or operation of the Property not previously delivered to City, to the extent in Seller’s possession;
- (c) 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;
- (d) a properly executed California Franchise Tax Board Form 593 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;
- (e) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (f) a standard or customary owner’s title certificate and gap indemnity in the Title Company’s standard form as required to facilitate issuance of the Title Policy;
- (g) closing statement in form and content satisfactory to City and Seller, and executed by Seller; and
- (h) the duly executed certificate regarding the continued accuracy of Seller’s representations and warranties as required by Section 5.1(h) hereof.

6.4 City's Delivery of Documents and Funds

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

- (a) an 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 executed by Buyer; and
- (c) the Purchase Price, as provided in Article 2 hereof.

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. On or before the Closing Date, City shall deliver to the Title Company a statement for delivery to the County Tax Assessor in the form attached as Exhibit D (the "**Apportionment Notice**"). Upon Closing, the Title Company will insert the Closing Date in the Apportionment Notice and send the Apportionment Notice to the County Tax Assessor in the jurisdiction in which the Property is located.

6.6 Title Company as Real Estate Reporting Person

Section 6045(e) of the Federal Tax Code 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, the 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. The 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 the Title Company with any information reasonably requested by the 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

Seller shall cause all the utility meters to be read on the Closing Date, and will be responsible for the cost of all utilities used prior to the Closing Date. 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.

(b) Other Apportionments

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal

Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

7.2 Closing Costs

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

7.3 Real Estate Taxes and Special Assessments

At or before the Closing, Seller will pay its portion of general real estate taxes payable for the tax year in which the Closing occurs and all general real estate taxes payable for prior years, if not yet paid. Seller may file a claim with the City and County of San Francisco for a property tax refund for any taxes paid for the period from and after the Closing Date. At or before the Closing, Seller will pay the full amount of any special assessments against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date. Seller will pay all hotel or other taxes applicable to the period prior the Closing Date. General real estate taxes payable for the tax year prior to the year of the Closing and all prior years, if not yet paid, shall be paid by Seller at or before the Closing. General real estate taxes payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date. At or before the Closing, Seller shall pay the full amount of any special assessments against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date.

7.4 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party. All prorations shall be made as of the Closing Date based on a three hundred sixty-five (365)-day year for annual prorations and based on the actual days of the applicable month for monthly prorations.

7.5 Survival

The provisions of this Article 7 shall survive the Closing for a period of one hundred eighty (180) days, and no claims for prorations shall be made after such date unless Seller or Buyer notifies the other of a specific claim or right under this Article 7 prior to such date.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Seller

Each Seller represents and warrants to City the following, which shall be true and correct as of the Effective Date hereof and as of the Closing Date, and covenants with City as follows:

- (a) The recitals set forth in this Agreement are true and correct.

(b) [reserved].

(c) To Seller's knowledge, the Documents and Other Information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Property to the extent in Seller's possession, and are and at the time of the Closing will be true, correct and complete copies of such Documents and Other Information.

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

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

(f) Seller has not received any written notice nor is each Seller aware that Seller, the Property or the business conducted thereon is in violation of any applicable laws, regulations, codes, and ordinances that have not been cured by Seller as required by applicable law, except as otherwise disclosed to Buyer in writing.

(g) Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Seller's assets, or (iv) suffered the attachment or other judicial seizure of all or substantially all of Seller's assets.

(h) To Seller's knowledge, all water, sewer, gas, electric, telephone, and drainage facilities and all other utilities required by law or by the normal use and operation of the Property are and at the time of the Closing will be installed to the property lines of the Property and are and at the time of the Closing will be adequate to service the Property.

(i) To Seller's knowledge, there are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the 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 nor any claims or actions involving the location of any fence or boundary.

(j) There is no litigation pending or, to the best of 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.

(k) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, 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.

(l) Each Seller is a limited liability company duly organized and validly existing under the laws of the State of California and is in good standing under the laws of the

State of California; this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(m) 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 so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify 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.

(n) To Seller's knowledge, Seller knows of no facts nor has Seller failed to disclose any fact that would prevent City from using and operating the Property after Closing in the normal manner in which it is intended.

(o) Seller has received no written notification from any governmental authority that all or any portion of the Land and the Improvements is or may be in violation of any Environmental Laws (as defined below).

(p) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct as of the Closing Date, except as otherwise noted to the contrary in Seller's Environmental Disclosure: (i) to Seller's knowledge, neither the Property nor to the best of Seller's knowledge any real estate in the vicinity of the Property is in violation of any Environmental Laws; (ii) to Seller's knowledge, the Property is not now, nor to the best of Seller's knowledge has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material (defined below), except as described in the Documents ("**Seller's Environmental Disclosure**"); (iii) to Seller's knowledge, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iv) to Seller's knowledge, there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Property, or if there have been or are any such tanks or wells located on the Property, their location, type, age and content has been specifically identified in Seller's Environmental Disclosure, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release or threatened release of any Hazardous Material into the environment; (v) to Seller's knowledge, the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) to Seller's knowledge, the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

(i) "**Environmental Laws**" shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage)

or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

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

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

(q) At the time of the Closing there will be no leases or other occupancy agreements affecting any of the Property. At the time of the Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and Seller shall cause to be discharged all mechanics’ or materialmen’s liens arising from any labor or materials furnished to the Property prior to the time of the Closing. To Seller’s knowledge, there are no obligations in connection with the Property which will be binding upon City after Closing except for matters which are set forth in the Preliminary Report.

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

(s) Seller (without reference to its constituent entities) is not now nor shall it be at any time prior to or at the Closing a person named in any executive orders or lists published by Office of Foreign Assets Control as a Specially Designated National and Blocked Person.

Seller (without reference to its constituent entities) is not a person named in any executive orders or lists published by Office of Foreign Assets Control as a Specially Designated National and Blocked Person.

As used herein “to the best of Seller’s knowledge,” “Seller’s knowledge”, “Seller’s actual knowledge,” “Seller has not received written notice” or words of similar import shall mean the current, actual knowledge of Michael Wang without any duty of investigation, who is the most qualified and experienced person associated with Property to make such representations on behalf of Seller. There shall be no personal liability on the part of such person.

8.2 Indemnity

Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and

against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. The foregoing indemnity includes, without limitation, costs incurred in connection with (i) any agreements pertaining to the Property relating to periods of time prior to the Closing, (ii) third party claims related to the ownership, operation or maintenance of the Property prior to the Closing, and (iii) the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive beyond the Closing for a period of twelve (12) months after the Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement for a period of twelve (12) months after said termination.

8.3 AS-IS, WHERE IS; RELEASE.

(a) Except as expressly set forth in this Agreement to the contrary, City is expressly purchasing the Property in its existing condition **"AS-IS, WHERE IS, AND WITH ALL FAULTS"** and, except as expressly set forth in this Agreement, based upon the condition (physical or otherwise) of the Property as of the Effective Date, subject to the representations and warranties of Seller expressly set forth in this Agreement. City has or shall have, prior to Closing, undertaken all such investigations of the Property as City deems necessary or appropriate under the circumstances as to the status of the Property and the existence or nonexistence of curative action to be taken with respect to any Hazardous Materials on or discharged from or in the vicinity of the Property, and based upon same, City is and shall be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel, and officers. City is not relying on any statement or representation not expressly stated in this Agreement. City specifically confirms and acknowledges that in entering into this Agreement, City has not been induced by, and has not relied upon, whether express or implied, warranties, guaranties, promises, statements, inducements, representations, or information pertaining to the Property or its uses, the physical condition, environmental condition, state of title, income, expenses or operation of the Property, or any other matter or thing with respect thereto, written or unwritten, whether made by Seller or any agent, employee, or other representative of Seller, or any broker or any other person representing (or purporting to represent) Seller, which are not expressly set forth in this Agreement. Seller shall not be liable for or bound by any written or unwritten statements, representations, warranties, brokers' statements, or other information pertaining to the Property furnished by Seller, any broker, any agent, employee, or other actual (or purported) representative of Seller, or any person, unless and only to the extent the same are expressly set forth in this Agreement. Except as expressly stated in Section 8.1 of this Agreement, Seller makes no representation or warranty with respect to any Environmental Law and/or the presence of Hazardous Material on, above or beneath the Property (or any parcel in proximity thereto) or in any water on or under the Property.

(b) City specifically confirms and acknowledges that in entering into this Agreement, City has not been induced by, and has not relied upon, whether express or implied, warranties, guaranties, promises, statements, inducements, representations, or information pertaining to the Property or its uses, the physical condition, environmental condition, state of title, income, expenses, or operation of the Property, or any other matter or thing with respect thereto, written or unwritten, whether made by Seller or any agent, employee, or other representative of Seller, or any broker or any other person representing (or purporting to represent) Seller, which are not expressly set forth in this Agreement. Seller shall not be liable for or bound by any written or

unwritten statements, representations, warranties, brokers' statements, or other information pertaining to the Property furnished by Seller, any broker, any agent, employee, or other actual (or purported) representative of Seller, or any person, unless and only to the extent the same are expressly set forth in this Agreement.

(c) City releases Seller and Seller's disclosed or undisclosed, direct and indirect shareholders, officers, directors, trustees, partners, principals, members, employees, agents, affiliates, representatives, consultants, accountants, contractors, and attorneys or other advisors, and any successors or assigns of the foregoing (collectively with Seller, the "**Seller-Related Parties**"), and their respective successors and assigns (individually, and collectively, a "**Released Party**") from and against any and all claims, damages, and causes of action which City or any of the City-Related Parties has or may have arising from or related to any matter or thing related to or in connection with the Property, including the value of the Property or its suitability for City's use, the documents and information referred to herein, the Leases, the Tenants, any construction defects, errors, or omissions in the design or construction and any environmental conditions, whether now known or unknown, whether foreseeable or unforeseeable, and whether or not apparent or yet to be discovered, or which may hereafter develop (collectively, the "**Claims**"). Neither City nor any of the City-Related Parties shall look to the Released Parties in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected Claims. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation, or order. Notwithstanding any provision hereof to the contrary, the provisions of this Section 8.3(c) shall not release Seller from liability for any damages, claims, liabilities, or obligations arising out of or in connection with: (i) a breach of (or failure to comply with) any covenant, representation, or warranty of Seller expressly set forth in this Agreement to the extent the same survive the Closing hereunder or any of the closing documents executed by Seller in connection with this Agreement; or (ii) Seller's fraud or intentional misrepresentation. As used herein, "**City-Related Parties**" shall mean collectively any City agent, advisor, representative, affiliate, department, employee, director, partner, member, beneficiary, investor, servant, shareholder, trustee, or other person or entity acting on City's behalf or otherwise related to or affiliated with City.

(d) City has made an investigation of the facts pertaining to this Agreement and to the Claims as City deems necessary. City understands that it may later discover Claims or facts that may be different from, or in addition to, those that it or any of the other City-Related Parties now knows or believes to exist regarding the subject matter of the release contained in this Agreement, and which, if known at the time of signing this Agreement, may have materially affected this Agreement and City's decision to enter into it and grant the release contained in this Agreement. Nevertheless, City intends to fully, finally, and forever settle and release all Claims that now exist, may exist, or previously existed, as set out in the release contained in this Section 8.3, whether known or unknown, foreseen or unforeseen, or suspected or unsuspected, and the release given herein is and shall remain in effect as a complete release, notwithstanding the discovery or existence of such additional or different facts. City, on behalf of itself and on behalf of the other City-Related Parties, hereby waives any right or Claim that might arise as a result of such different or additional Claims or facts. City has read, and understands, the provisions of California Civil Code Section 1542 ("**Section 1542**"), which provides:

"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."

City, on behalf of itself and of the other City-Related Parties, expressly, knowingly, and intentionally waives any and all rights, benefits, and protections of Section 1542 and of any other applicable state or federal statute or common law principle limiting the scope of a general or specific release. City hereby specifically acknowledges that: (i) City has carefully reviewed this Section 8.3 and the waiver of California Civil Code Section 1542; (ii) City has discussed its import with legal counsel; and (iii) the provisions of this Section 8.3 and the waiver of California Civil Code Section 1542 are a material part of this Agreement and of the consideration paid to Seller under this Agreement.

City's Initials

(e) The provisions of this Section 8.3 shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

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

(a) If such damage or destruction 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, and such damage or destruction would cost less than One Million Dollars (\$1,000,000) (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. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at the 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 the cost of such damage or destruction is not fully recovered by Seller's insurance or would equal or exceed the Threshold Damage Amount in the opinion of City's and Seller's respective engineering consultants, or if condemnation proceedings are commenced against any of the Property, then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or only as to that portion of the Property damaged or destroyed or subject to condemnation proceedings (in which case there shall be an equitable adjustment to the Purchase Price), or to not terminate this Agreement and purchase the Property (or the portion not damaged or affected by condemnation, as the case may be). City shall have thirty (30) days after Seller notifies City that an event described in this Subsection (c) has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this Subsection (c) by City's delivery of notice of termination to Seller or City's failure to deliver such notice, as the case may be, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination. If City elects not to terminate this Agreement, Seller shall notify City of Seller's intention to repair such damage or destruction, in which case this Agreement shall remain in full force and effect, or notify City of Seller's intention to give City a credit against the Purchase Price at the Closing in the amount reasonably determined by City and Seller (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction and, in the event of a result of a condemnation proceeding, the value of any Property taken as a result of such proceeding, in which case this Agreement shall otherwise remain in full force and effect, and Seller shall be entitled to any proceeds of insurance or condemnation awards. Any repairs elected to be made by Seller pursuant to this Subsection shall be made within one hundred eighty (180) days following such damage or destruction and the Closing shall be extended until the repairs are substantially completed. As used in this Subsection, the cost to repair or restore shall include the cost of lost rental revenue, including additional rent and base rent.

9.2 Insurance

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

9.3 Possession

Title and possession of the Property shall be delivered to City on the Closing Date.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted and shall make all repairs, maintenance and replacements of the Improvements and otherwise 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

Seller shall not enter into any lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, without in each instance obtaining City's prior written consent thereto City agrees that it shall not unreasonably withhold or delay any such consent. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all management agreements affecting the Property that City does not agree in writing prior to the Closing to assume.

11. GENERAL PROVISIONS

11.1 Notices

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

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 1660 Mission Street
Email: realestateadmin@sfgov.org

with copy to:

Vicente P. Reyes
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: 1660 Mission Street
Email: Vicente.Reyes@sfcityatty.org

Seller:

290 DIVISION (EAT) LLC
720 B Street
San Mateo, CA 94401
Attn: Michael Wang
Email: michael@malexholdings.com

1660 MISSION LLC
720 B Street
San Mateo, CA 94401
Attn: Michael Wang
Email: michael@malexholdings.com

SKYLINE CAPITAL LLC
13681 Newport Ave., Ste 8-129
Tustin, CA 92780
Attn: David Su
Email: david@skylinegpintl.com

With a copy to:

Schinner & Shain, LLP
96 Jessie Street
San Francisco, CA 94105
Attn: R. Ryan Shain, Esq.
Email: shain@schinner.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 the convenience of the parties, copies of notices may also be given by email listed above. However, neither party may give official or binding notice by email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of an email copy of the notice.

11.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein, except for Mark Geisreiter, License No. 00889721, of Cornish & Carey Commercial, whose commission, if any is due, shall be the sole responsibility of Seller pursuant to a separate written agreement with such broker, and City shall have no liability whatsoever therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

11.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns. Seller shall not sell, assign, encumber or otherwise transfer, whether directly or indirectly, voluntarily or involuntarily, or by operation of law or otherwise (including, without limitation, by a transfer of interests in Seller) all of any part of or any interest in this Agreement without the prior written consent of City, which consent may be granted or denied in City's sole and absolute discretion.

11.4 Amendments

This Agreement (including all Schedules and Exhibits attached hereto) constitutes the entire contract between the parties hereto with respect to the subject matter of this Agreement. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing for a period of twelve (12) months after the Closing, or, to the extent the context requires, beyond any termination of this Agreement for a period of twelve (12) months after said termination, and any claims therefore must be brought by filing a complaint thereon within thirty days of the expiration of such six (6) month periods. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder and shall be subject to the provisions of Section 8.2 of this Agreement.

11.6 Governing Law

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

Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Agreement has been brought in an inconvenient forum. The parties also irrevocably and unconditionally waive any right to remove any such suit, action, or proceeding to Federal Court.

11.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement

of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

11.8 Parties and Their Agents; Approvals

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

11.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement. Use of the term “including” shall mean “including, without limitation”.

11.10 Seller Tax Obligations

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 City under the San Francisco Business and Tax Regulations Code (“**Delinquent Payment**”). If, under that authority, any payment City is required to make to Seller under this Agreement is withheld because Seller owes 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.

11.11 Sunshine Ordinance

Seller understands and agrees that under the City’s Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the California Public Records Act (California Government Code Section 7920.000), apply to this Agreement and any and all records, information, and materials submitted to City hereunder 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.

11.12 Conflicts of Interest

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

11.13 Notification of Prohibition on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the selling or leasing of any land or building to or from any department of City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Seller further acknowledges that the (i) prohibition on contributions applies to each Seller; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 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 with whom Seller is contracting is obligated to submit to the Ethics Commission names of the parties to the contract and any subcontractor. Additionally, Seller certifies that Seller has informed each of the persons described in the preceding sentence of the limitation on contributions imposed by Section 1.126 of the San Francisco Campaign and Governmental Conduct Code by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

11.14 Non-Liability of City Officials, Employees and Agents

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

11.15 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement may be executed by a party's signature transmitted by electronic mail in portable document format ("**pdf**") or through an electronic signature/online signature service such as "DocuSign" and copies of this Agreement executed and delivered by means of pdf signatures or by DocuSign or similar service shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon pdf signatures as if such signatures were originals. Upon request by either party, any party executing and delivering this Agreement by pdf shall promptly thereafter deliver a counterpart of this

Agreement containing said party's original signature. All parties hereto agree that a pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

11.16 Effective Date

As used herein, the term “**Effective Date**” means the date on which City and Seller have executed this Agreement, as authorized by a resolution or ordinance, as applicable, enacted by the City's Board of Supervisors and Mayor approving and authorizing this Agreement and the transaction contemplated hereunder.

11.17 Severability

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

11.18 Agreement Not to Market Prior to Effective Date

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

11.20 Acceptance of Agreement by Seller

This Agreement shall be null and void unless Seller accepts it and returns to City four (4) fully executed counterparts hereof on or before 5:00 p.m. San Francisco Time on July 25, 2025.

11.21 Further Assurances.

In addition to the actions recited herein and contemplated to be performed, executed, and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Closing or after the Closing any and all such further acts, instruments, deeds and assurances as may be reasonably required to consummate the transaction contemplated hereby.

11.22 Possession of the Property

Seller shall deliver possession of the Property to Buyer upon the Closing, subject to all Approved Conditions.

11.23 Waivers

No waiver of any breach of any covenant or provision contained herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act shall be deemed

an extension of the time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of delay.

11.24 Time of Essence

Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof. The term “business days” as used herein shall mean Monday through Friday, inclusive, except holidays recognized by City. The term “day” as used herein shall mean a calendar day. In the event any obligation or event described in this Agreement becomes due or would otherwise occur on a non-business day, the due date for such obligation or the date of such event shall be delayed until the next business day.

11.25 Survival

Except for the limited survival of the provisions specified in Article 7 hereof or as otherwise expressly stated to the contrary in this Agreement, all obligations of the parties contained herein which by their terms are intended to survive the Closing, shall survive the Closing and not merge with the Deed.

11.26 Cooperative Drafting

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

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

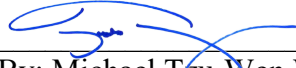
[SIGNATURES ON FOLLOWING PAGE]

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

SELLER:

**290 Division (EAT) LLC,
a California limited liability company**

By: Hillsborough Group, LLC,
a California limited liability company

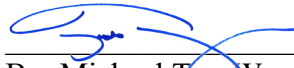


By: Michael Tzu-Wen Wang
Its: Manager

Date: 07/25/2025

**1660 Mission LLC,
a California limited liability company**

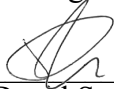
By: Hillsborough Group, LLC,
a California limited liability company



By: Michael Tzu-Wen Wang
Its: Manager

Date: 07/25/2025

**Skyline Capital LLC,
a Wyoming limited liability company**



By: David Su
Its: Manager

Date: 07/25/2025

[signature page continued on following page]

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Sally Oerth
Director of Property

Date: _____

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: _____
Vicente P. Reyes
Deputy City Attorney

EXHIBIT A

REAL PROPERTY DESCRIPTION

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

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

EXHIBIT A

Legal Description

For APN/Parcel ID(s): Lot 005, Block 3512 and Lot 006, Block 3512

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

PARCEL ONE:

Beginning at a point on the Northwestern line of Mission Street, distant thereon 335 feet and 10 5/8 inches Northeasterly from the point of intersection of the Northwestern line of Mission Street and the Easterly line of Otis Street; running thence Northeasterly along the Northwestern line of Mission Street 102 feet and 8-1/2 inches; thence Northwesternly 153 feet and 9-5/8 inches to the Easterly line of Otis Street to a point distant thereon 479 feet and 7-3/8 inches Northwesternly from the point of intersection of the Northwestern line of Mission Street and the Easterly line of Otis Street; thence Southerly along the Easterly line of Otis Street 112 feet and 11-1/2 inches; thence Easterly 111 feet and 3-1/8 inches to the point of beginning.

Being a portion of Mission Plaza. APN: Lot 005, Block 3512

PARCEL TWO:

Beginning at a point on the Easterly line of Otis Street distant thereon 311 8-5/8 inches Northerly from the point formed by the intersection of the Northwestern line of Mission Street with the Easterly line of Otis Street; running thence Northerly along said line of Otis Street 54 feet 11-1/4 inches; thence Southeasterly 111 feet 3-1/8 inches, more or less, to the Northeasterly line of Mission Street at a point distant thereon 335 feet 10-5/8 inches Northeasterly from the point of intersection of the Northwestern line of Mission Street with the Easterly line of Otis Street; thence Southwesterly along the Northwestern line of Mission Street 50 feet 1-7/8 inches; thence Northwesternly 92 feet, more or less, to the point of beginning.

Being a part of Mission Plaza. APN: Lot 006, Block 3512

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 No. 3512-005 and 3512-006)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, 290 DIVISION (EAT) LLC, a California limited liability company, as to a 50% undivided ownership interest, 1660 MISSION LLC, a California limited liability company, as to a 40% undivided ownership interest, and SKYLINE CAPITAL LLC, a Wyoming limited liability company, as to a 10% undivided ownership interest, as tenants in common, 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 as of this ____ day of _____, 20 ____.

**290 Division (EAT) LLC,
a California limited liability company**

By: Hillsborough Group, LLC,
a California limited liability company

By: _____
Name: Michael Tzu-Wen Wang
Its: Manager

**1660 Mission LLC,
a California limited liability company**

By: Hillsborough Group, LLC,
a California limited liability company

By: _____
Name: Michael Tzu-Wen Wang
Its: Manager

**Skyline Capital LLC,
a Wyoming limited liability company**

By: _____
Name: David Su
Its: Manager

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

As required under Government Code Section 27281, this is to certify that the interest in real property conveyed by the Grant Deed dated _____, from the 290 DIVISION (EAT) LLC, a California limited liability company, as to a 50% undivided ownership interest; 1660 MISSION LLC, a California limited liability company, as to a 40% undivided ownership interest; and SKYLINE CAPITAL LLC, a Wyoming limited liability company, as to a 10% undivided ownership interest, as tenants in common to the City and County of San Francisco, a municipal corporation ("Grantee"), is hereby accepted by order of its Board of Supervisors' Resolution No. 18110, adopted on August 5, 1957, and approved by the Mayor on August 10, 1957, and its Board of Supervisors' Resolution No. _____, adopted on _____ [INCLUDE INFORMATION FOR ANY LATER RESOLUTION SPECIFICALLY AUTHORIZING THE SPECIFIC ACQUISITION], and Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO,

a municipal corporation

By: _____

[Name]

Director of Property

EXHIBIT A
REAL PROPERTY DESCRIPTION

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

EXHIBIT A

Legal Description

CLTA Preliminary Report Form (02/03/2023) Printed: 07.23.25 @ 04:31 PM

Page 3 CA-CT-FBSC-02180.054356-SPS-1-25-FBSC2506781

For APN/Parcel ID(s): Lot 005, Block 3512 and Lot 006, Block 3512

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

PARCEL ONE:

Beginning at a point on the Northwesternly line of Mission Street, distant thereon 335 feet and 10 5/8 inches Northeasterly from the point of intersection of the Northwesternly line of Mission Street and the Easterly line of Otis Street; running thence Northeasterly along the Northwesternly line of Mission Street 102 feet and 8-1/2 inches; thence Northwesternly 153 feet and 9-5/8 inches to the Easterly line of Otis Street to a point distant thereon 479 feet and 7-3/8 inches Northwesternly from the point of intersection of the Northwesternly line of Mission Street and the Easterly line of Otis Street; thence Southerly along the Easterly line of Otis Street 112 feet and 11-1/2 inches; thence Easterly 111 feet and 3-1/8 inches to the point of beginning.

Being a portion of Mission Plaza.

APN: Lot 005, Block 3512

PARCEL TWO:

Beginning at a point on the Easterly line of Otis Street distant thereon 311 8-5/8 inches Northerly from the point formed by the intersection of the Northwesternly line of Mission Street with the Easterly line of Otis Street; running thence Northerly along said line of Otis Street 54 feet 11-1/4 inches; thence Southeasterly 111 feet 3-1/8 inches, more or less, to the Northeasterly line of Mission Street at a point distant thereon 335 feet 10-5/8 inches Northeasterly from the point of intersection of the Northwesternly line of Mission Street with the Easterly line of Otis Street; thence Southwesterly along the Northwesternly line of Mission Street 50 feet 1-7/8 inches; thence Northwesternly 92 feet, more or less, to the point of beginning.

Being a part of Mission Plaza.

APN: Lot 006, Block 3512

PARCEL THREE:

A non-exclusive easement for ingress and repair through the ground floor parking area of premises adjacent to the Northeast, as granted in the Grant of Easement Agreement recorded June 19, 1989, Instrument No. E382612 at Reel E894, Image 880, of Official Records.

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 _____

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

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

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

3. Transferor's office address is _____

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

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

Dated: _____, 20__.

On behalf of:

_____,
[NAME]

a _____

By: _____
[NAME]

Its: _____

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

State of California)
) ss
County of San Francisco)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT D

**PROPERTY EXEMPTION NOTICE
California Revenue and Tax Code Section 5082**

[San Francisco Tax Assessor
1 Dr. Carlton B. Goodlett Place
City Hall, Room 190
San Francisco, CA 94102-4698]

[insert date]

Re: City and County of San Francisco Acquisition of Property
Notice of Property Tax Exemption Under CA Revenue and Tax Code § 5082

Dear _____ [insert name of Tax Assessor]:

We write this letter to inform you that the City and County of San Francisco acquired the property described in the attached deed (the "Property") on _____ [*Title Company to insert Closing Date*] (the "Apportionment Date").

In accordance with California Revenue and Tax Code §5082, we are notifying you of this acquisition, and request that you cancel property taxes for the remaining portion of the fiscal year following the Apportionment Date.

Please do not hesitate to contact the City's Director of Property at the following address if you have any questions or need any further information:

Director of Property
City and County of San Francisco
25 Van Ness Avenue, 4th Floor
San Francisco, CA 94102
(p) 415-554-9860

Very truly yours,

Sally Oerth
Director of Property
City and County of San Francisco

cc: San Francisco Controller
San Francisco Tax Collector
San Francisco Department of Technology
San Francisco Public Utilities Commission



San Francisco
Department of Public Health

1660 Mission St Acquisition

Budget & Finance Committee – September 17, 2025

Real Estate Division

Jeff Suess



Background

- 1660 Mission is a 75,321 square foot building, 6 stories with underground parking
- Built in 1990 and acquired by the City in 1993, it was sold in 2017 for \$36 million
- It was occupied by the City until substantial completion of 49 S. Van Ness in 2020 and has been empty since City ended its occupancy.





Cost of Acquisition & Construction

Purchase Price:	\$18,500,000
Closing Costs:	\$30,000
Project Delivery Costs:	\$56,470,000
Total Not-to-Exceed:	\$75,000,000





San Francisco
Department of Public Health

Department of Public Health

Kelly Kirkpatrick



Programs at 1660 Mission St

Centralizes multiple public health services in a modern, city-owned facility:

- Permanent home for **San Francisco City Clinic**
 - Relocating from 356 7th St, a century-old former firehouse
 - Voters approved funding for a new home for City Clinic in the 2024 Healthy, Safe and Vibrant San Francisco Bond
- Relocates and expands **behavioral health programs** currently located at 1380 Howard St
 - Behavioral Health Access Center – entry point for mental health & substance use treatment
 - OBIC Clinic – walk-in treatment clinic for opioid use disorder, operated by UCSF
 - Full-service pharmacy for behavioral health medications
 - Office of Coordinated Care
- **24/7 center available for law enforcement** to safely transfer intoxicated individuals to be monitored, stabilized, and connected to care
- **Seismically safe office space** for over 300 related staff

Grant – Behavioral Health Continuum Infrastructure Program (BHCIP) Round 5



San Francisco
Department of Public Health

- **Funder:** California Department of Health Care Services (DHCS)
- **Third-party administrator:** Advocates for Human Potential, Inc. (AHP)
- **Amount:** \$10,000,000
- **Project:** Purchase of a new site at 1660 Mission St to expand behavioral health programs
- **Resolution:** Requesting appropriation authority and authorization for DPH to accept non-standard terms in the grant agreement with DHCS through AHP
- **Time-sensitive:** Deadline to execute grant agreement by October 17, 2025

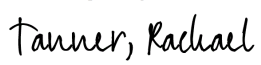


49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

GENERAL PLAN REFERRAL

July 28, 2025

Case No.: 2025-006724GPR
Address: 1660-1670 Mission Street
Block/Lot Nos.: 3512/005, 3512/006
Project Sponsor: CCSF Real Estate Division
Applicant: Jeff Suess, CCIM LEED AP
Transaction Team Manager, CCSF Real Estate Division
415.554.9873
Jeff.Suess@sfgov.org
25 Van Ness Ave., Suite 400
San Francisco, CA 94102
Staff Contact: Amnon Ben-Pazi – (628) 652-7428
Amnon.Ben-Pazi@sfgov.org

Recommended By: DocuSigned by:

785A1373D13242E...
Rachael Tanner, Director of Citywide Policy for
Sarah Dennis Phillips, Director of Planning

Finding: The project, on balance, is **in conformity** with the General Plan.

Project Description

The project involves the acquisition of an office building and adjacent parking lot located at 1660–1670 Mission Street by the City and County of San Francisco, as well as the site’s conversion to house health care services and associated administrative functions for the San Francisco Department of Public Health (DPH).

DPH plans to co-locate and centralize several health care services at the site, including several behavioral health services and the San Francisco City Clinic, a sexual health clinic currently operated by DPH’s Population Health division at 356 7th Street. The project site is located near public transit on Mission Street, Van Ness Avenue, and Market Street, making it easily accessible for health care clients and staff.

Environmental Review

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

General Plan Compliance and Basis for Recommendation

As described below, the proposed refinancing and rehabilitation is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

WESTERN SOMA AREA PLAN

OBJECTIVE 9.1

PROVIDE ESSENTIAL COMMUNITY SERVICES AND FACILITIES.

Policy 9.1.5

Ensure adequate maintenance of existing public health and community facilities.

OBJECTIVE 9.3

ENSURE CONTINUED SUPPORT FOR HUMAN SERVICE PROVIDERS THROUGHOUT THE SOUTH OF MARKET NEIGHBORHOODS.

Policy 9.3.1

Promote the continued operation of existing human and health services that serve low-income and immigrant communities and prevent their displacement.

The Project would relocate the San Francisco City Clinic, which serves a city-wide population including low-income and immigrant communities, from its current location within the Western SoMa plan area to a location approximately one block outside the plan area but within the western part of the SoMa neighborhoods. Co-locating the clinic with other health care services at 1660-1670 Mission Street, a large modern building highly accessible city-wide via transit, will facilitate the continued availability and improvement of these services in the SoMa neighborhoods and enhance convenience and the overall experience for people accessing them.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Project would enhance existing neighborhood-serving retail uses by providing additional foot traffic

from on-site workers and patients/clients.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The Project would have no effect on existing housing and neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The Project would have no effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The Project would have no effect on commuter traffic, MUNI transit service, streets, or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project would have no effect on the City's industrial or service sectors or on future opportunities for resident employment or ownership in these sectors.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The existing building was constructed in 1990 and is rated SHR-2 (fair seismic performance) by the City. Interior renovation will meet applicable seismic standards.

7. That the landmarks and historic buildings be preserved;

The Project would have no effect on the City's landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The Project would have no effect on the City's parks and open space and their access to sunlight and vistas.

Finding: The project, on balance, is in conformity with the General Plan.

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sally Oerth, Director of Real Estate

08/29/2025

**Department of Public Health
Acquisition of real property
1660 and 1670 Mission Street**

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Acquisition – 1660 and 1670 Mission Street

Dear Board Members:

Attached for consideration is a Resolution authorizing the acquisition of two parcels at 1660 and 1670 Mission Street (APN 3512-005 and 3512-006): a seven-story building of approximately 75,321 sq. ft and an adjacent parking lot, totaling approximately 19,464 sq. ft. of land. This project represents a strategic opportunity for the Department of Public Health to co-locate and centralize critical public health services in a modern, city-owned facility at 1660 Mission Street. The building will provide a long-overdue permanent home for San Francisco City Clinic as well as multiple behavioral health programs currently located at 1380 Howard Street, an outdated and leased space that limits service delivery. 1660 Mission is also the possible site for a 24/7 center available for law enforcement to safely transfer individuals intoxicated in public, where they can be monitored, stabilized, and connected to appropriate care.

The project site is located near public transit on Mission Street, Van Ness Avenue, and Market Street, making it easily accessible for health care clients and staff. The project enhances operational efficiency by consolidating services into a City-owned building, reducing long-term lease costs and improving coordination of care. It is also a fiscally responsible investment, leveraging a blend of funding sources—including Proposition C, BHCIP state grant funds, 2020 and 2024 General Obligation Bonds, and existing DPH capital funds—to secure the property and complete necessary renovations.

In June 2023, DPH was awarded \$10 million in capital funding from the California Department of Health Care Services (DHCS) towards the acquisition of an expanded, permanent home for several DPH behavioral health programs. DPH must meet the state's deadline of October 31, 2025 for the grant or face possible rescindment of the funding. Additionally, as a condition of funding, DHCS requires a 30-year use restriction on the property.

Substantial renovations are required at 1660 Mission Street to convert the former office building into a health care and public safety facility, including adding dedicated vertical transportation for behavioral health and City Clinic programs. The second issuance of the 2024 Vibrant SF General Obligation Bond will be before the Board of Supervisors for approval in 2026. At that point, the Department of Public Health would provide an update on 1660 Mission Street programs and updated construction cost estimates.

San Francisco City Clinic, a sexual health clinic operated by DPH's Population Health Division, will relocate from 356 7th Street. City Clinic is currently located in a century-old former firehouse that is not fully ADA-compliant and lacks proper heating and ventilation, sufficient space for important point of care testing, and proper consultation rooms.

The building will also house multiple behavioral health programs currently located at 1380 Howard Street, an outdated, leased space that limits service delivery. These programs include the Behavioral Health Access Center (BHAC), which serves as an entry point for mental health and substance use treatment; OBIC, a walk-in treatment clinic for opioid use disorder operated by the University of California, San Francisco (UCSF); a full-service pharmacy for behavioral health medications; and the Office of Coordinated Care.

DPH and the Real Estate Division (RED) conducted a search for a building capable of housing these services and determined that the facility at 1660 Mission Street is well-suited to DPH's goal to consolidate critical programs into a high-quality, City-owned multi-service building.

In total, 1660 Mission will accommodate over half a dozen health care programs, allowing DPH to serve an estimated 6,700 behavioral health clients and 6,000 City Clinic clients annually in a centralized service hub. It will also include office space for over 300 DPH and UCSF staff.

The building at 1660 Mission Street was built in 1990 and acquired by the City in 1993. It housed the Department of Building Inspection (DBI) until 2017, when the City approved the sale of the property for \$36 million to partially fund the consolidation of the City's permitting and public works departments at 49 South Van Ness Avenue. The City leased back 1660 Mission from its sale until substantial completion of 49 S. Van Ness in 2020, which coincided with the beginning of the COVID-19 pandemic. The building has been vacant since DBI relocated to 49 S. Van Ness.

During the City's ownership of 1660 Mission, a report by the Department of Public Works (DPW) rated the building's seismic condition as SHR-3. This rating was confirmed through a

2013 seismic evaluation by DPW Bureau of Engineering's Structural Engineering Section, which concluded: "Based on visual observations, review of available drawings, and our structural analyses, it is our professional engineering opinion that the building at 1660 Mission Street has a Seismic Hazard Rating of 3. The potential for collapse is low and the life safety risk is low."

RED negotiated a price of \$18,500,000 for the acquisition of 1660 and 1670 Mission Street. An Appraisal was performed by a certified Member of the Appraisal Institute and reviewed by a second MAI appraiser as required under Chapter 23. I concur and confirm that the acquisition price is at or below fair Market Value.

The Planning Department found that the acquisition of the facility is not considered a project under the California Environmental Quality Act (CEQA) and that it is consistent with the eight priority policies of the General Plan.

The Real Estate Division recommends approval of this acquisition. If you have any questions regarding this matter, please contact me at the Real Estate Division office at 415-554-9860.

Respectfully,



Sally Oerth
Director of Property

cc. Daniel Tsai, Director DPH



San Francisco Ethics Commission

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

Phone: 415.252.3100 . Fax: 415.252.3112

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

Received On:

File #: 250898

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

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

A Public Document

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

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Jeff Suess	415-554-9850
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM RED ON BEHALF OF DPH	realestateadmin@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR 290 Division (EAT) LLC, 1660 Mission LLC & Skyline Cap	TELEPHONE NUMBER 650-699-0939
STREET ADDRESS (including City, State and Zip Code) 720 S B St., San Mateo, CA 94401	EMAIL michael@malexholdings.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S) 	ORIGINAL BID/RFP NUMBER 	FILE NUMBER (If applicable) 250898
DESCRIPTION OF AMOUNT OF CONTRACT \$18,500,000		
NATURE OF THE CONTRACT (Please describe) Acquisition of 1660 and 1670 Mission Street. APN: 3512-005 and APN 3512-006 for \$18,500,000 + \$30,000 escrow costs		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
☐	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
☒	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
☐	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

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

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	290 Division(EAT)LLC, Wang	Michael	Shareholder
2	1660 Mission LLC, Wang	Michael	Shareholder
3	Skyline Capital LLC, Su	David	Shareholder
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9. AFFILIATES AND SUBCONTRACTORS

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

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

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

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

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

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

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Purchase of Real Property - 290 Division (EAT) LLC, 1660 Mission LLC, a California Limited Liability Company - Skyline Capital, a Wyoming Limited Liability Company- 1660 and 1670 Mission Street - \$18,500,000 and \$30,000 in Escrow Costs
DATE: September 2, 2025

Resolution 1) approving and authorizing the Director of Property to acquire certain real property located at 1660 and 1670 Mission Street ("Property"); 2) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property, for the purchase price of \$18,500,000 plus an estimated \$30,000 for typical closing costs, for a total amount of \$18,530,000 from 290 Division (EAT) LLC, 1660 Mission LLC, a California limited liability company and Skyline Capital, a Wyoming limited liability company ("Purchase Agreement"); 3) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Purchase Agreement, as defined herein, effective upon approval of this Resolution; 4) affirming the Planning Department's determination under the California Environmental Quality Act; 5) adopting the Planning Department's findings that the Purchase Agreement, and the transaction contemplated therein, is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org