

MITIGATION WORK AGREEMENT

THIS MITIGATION WORK AGREEMENT (this "**Agreement**"), dated for reference purposes only as of August 13, 2014 (the "**Agreement Date**"), is made by and between 260V Lombard Street LLC, a California limited liability company ("**Owner**"), and the City and County of San Francisco, a municipal corporation ("**City**").

RECITALS

A. Owner owns the real property commonly known as 260 Lombard Street, in San Francisco, California, and more particularly described in the attached Exhibit A (the "**Property**").

B. Owner and City wish to coordinate current hill stabilization work (the "**Project**") on the Property and the sections of Lombard Street and Winthrop Street abutting the Property (the "**Street Sections**") on the terms and conditions set forth below in connection with, and in response to, that certain Order of Abatement ("**Order**") No. 201324192, dated January 14, 2014, issued to Owner in connection with the Property. A true and correct copy of the Order is attached hereto as Exhibit B.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for such other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Owner and City hereby agree as follows:

1. Plans.

(a) Owner has obtained a final, signed Rock Slope Improvement Plan for the Property prepared by Cotton, Shires & Associates, Inc. ("**CSA**") and dated May 6, 2014 (collectively, the "**Plans**") pursuant to a contract by and between CSA and Owner (the "**CSA-Owner Contract**") for the permanent repair of the Property and the Street Sections, together with a construction cost estimate to implement the Plans (collectively, "**Phase I of CSA-Owner Contract**"), and Owner directed CSA to deliver a copy of the Plans and such construction cost estimate to City. Within three (3) business days following the full execution and delivery of this Agreement, Owner shall pay CSA in full solely for the Plans, which constitute Phase I of the CSA-Owner Contract, but not for Phases II and III thereof. City releases any claims that it may have against Owner with respect to any design defect in the Plans, except to the extent that any design defect arises from Owner's failure to disclose to CSA any condition on the Property known to Owner on or before the Agreement Date.

(b) City shall conduct good faith negotiations with CSA on the terms of a mutually satisfactory agreement (the "**City-CSA Contract**") that allows City to use and rely on the Plans in carrying out the Project, with CSA having liability to City for any design defect in the Plans.

2. Permits and Environmental Review. If Owner timely pays CSA in full for the Plans, City shall notify Owner in writing (the "**City Notice**") of the fees that will be payable to apply for the City's Planning Department environmental review under the California Environmental Quality Act ("**CEQA**") and the building permit ("**DBI Permit**") required for the Project by City's Planning Department and Department of Building Inspection ("**DBI**"), respectively, and the costs assessed against Owner by DBI in enforcing the Order as of such date, including the Assessment of Costs dated January 15, 2014 as required by Section 102A.3 of the San Francisco Building Code. The foregoing costs and fees are collectively hereinafter referred to as the

"Fees". Within five (5) business days of receiving the City Notice, Owner shall deliver the Fees to the Director of City's Department of Public Works ("DPW"), which City shall use only to pay for such applications and such DBI enforcement costs. City shall submit such applications within two (2) business days of receiving the Fees from Owner. The total amount of the Fees shall not exceed \$60,000. Owner consents to DBI's issuance of the DBI Permit to DPW for the portion of Project to be performed at the Property. Owner's payment to CSA for the Plans and Owner's payment of the Fees are sometimes hereinafter collectively referred to as "**Owner's Project Payments**".

3. Performance of Project.

(a) City shall retain a California-licensed contractor that has prior experience performing work similar to the Project (the "**Contractor**") to perform the Project at City's sole cost when the following conditions are met (the "**Performance Conditions**"): (i) Owner timely delivers the Fees to the Director of DPW, (ii) the required DBI Permit shall be issued for the Project, and (iii) City's Planning Department has completed all required environmental review under CEQA for the Project. City shall require the Contractor to name Owner as an additional named insured in its commercial general liability insurance policy for the Project and to agree to defend, indemnify, and protect Owner against any claims or liabilities that arise in connection with Contractor's work on the Project.

(b) Consistent with CEQA, prior to City's approval of any proposed City contract with Contractor for the performance of the Project (the "**Construction Contract**"), City shall retain the absolute discretion to make modifications to the Plans to the extent necessary to mitigate significant environmental impacts, and, if such significant impacts are impossible to address or remedy, City may elect not to proceed with the Project; provided, however, that City may proceed with the Project notwithstanding any such significant effects if the benefits of the Project outweigh unavoidable significant adverse impacts. Owner shall have no obligation to pay for any Plan changes proposed by City as a result of such environmental review by City's Planning Department, if City's Planning Department determines that Plan changes are required to comply with CEQA and CSA and City cannot reach agreement with respect to any such proposed Plan changes.

(c) If the Performance Conditions are fulfilled, Contractor's performance of the Project on the Property shall be performed pursuant to the License Agreement between City and Owner and attached to this Agreement as Exhibit C. City has allocated \$3,800,000 in funds for the Project, which amount was certified as being available by the City's Office of the City Controller through the certificate attached to this Agreement as Exhibit D. Owner shall reasonably cooperate with City to allow City to complete the Project work to be performed on the Property. If the Performance Conditions are fulfilled and Owner timely complies with its obligations under this Agreement and the License Agreement, but City fails to complete the Project, Owner may pursue such remedies as are available to it at law or in equity, including, but not limited to, specific performance.

4. Order of Abatement. The Property is currently subject to the Order for the mitigation of the conditions specified in the Order. Within five (5) business days of the later to occur of Owner's payment to CSA for the Plans and Owner's payment of the Fee to DPW, the Director of DBI shall issue a modification to the Order, and send a letter to Owner, in substantially the forms attached to this Agreement as Exhibit E.

5. Proposed Donation of Subject Property.

(a) If the Performance Conditions are timely fulfilled, Owner shall deliver the following materials (the "**Property Materials**"), at its sole cost, to the City's Director of Property within thirty (30) business days of Owner's receipt of the City Notice: (i) a preliminary report or litigation guaranty for the Property, prepared by Chicago Title Company and dated no

earlier than June 1, 2014, and (ii) a Phase I environmental assessment report, prepared by an environmental consultant licensed by the State of California and dated no earlier than June 1, 2014. If City's Director of Property approves of the condition of the Property based on such reports, which approval shall not be unreasonably withheld, City's Director of Property shall notify Owner of such approval. Within three (3) business days of receiving such notice, Owner shall deliver to the City's Director of Property the application fee (the "**Referral Fee**") for the General Plan conformance and CEQA review that must be performed by City's Planning Department before City's Board of Supervisors can consider legislation to accept ownership of the Property or any vacation of the Street Sections.

(b) Within three (3) business days of receiving the Referral Fee from Owner, City's Director of Property shall submit the Referral Fee and the General Plan and CEQA review application with the City's Planning Department. Owner acknowledges that the Referral Fee is currently \$3,543, but will be increased on August 1, 2014, and City's Director of Property cannot submit the Referral Fee until he has received and approved the Property Materials.

(c) If City's Planning Department determines that the City's acceptance of the Property would conform to the City's General Plan and is exempt from review under CEQA or would not result in significant impacts that cannot be otherwise be addressed, then within five (5) business days of receiving such confirmation from the City's Planning Department in writing, the City's Director of Property shall submit legislation (the "**Donation Legislation**") for the acceptance of Owner's donation of fee ownership of the Property to City's Board of Supervisors and Mayor for consideration in their sole and absolute discretion.

(d) If the City's Board of Supervisors and Mayor approves the Donation Legislation, within ten (10) business days of such approval, Owner shall terminate all agreements for the possession or use of the Property (other than the License Agreement) and deliver an original quitclaim deed in the form attached to this Agreement as Exhibit F to City's Director of Property, duly executed by Owner and notarized. Within ten (10) business days of receiving the duly executed and notarized Deed from Owner, City's Director of Property shall sign the Certificate of Acceptance in the form attached to the Form Deed and record the duly executed and notarized Deed and executed Certificate of Acceptance in the Official Records of San Francisco County.

6. Proposed Vacation of Street Sections.

(a) If City's Board of Supervisors rejects the Donation Legislation, or the Donation Legislation is vetoed by the City's Mayor without such veto being overridden by the City's Board of Supervisors, Owner shall deliver the following materials (collectively, the "**Vacation Materials**") to City's Director of Public Works: (i) an amount equal to \$2,500 to pay the fee charged by City's Bureau of Street Use and Mapping ("**BSM**") for street vacation applications, (ii) a letter from Owner requesting that the Street Sections be vacated from the public right of way and acknowledging that such a vacation would result in the Property losing abutter's rights to Lombard and Winthrop Streets, and (iii) a survey sketch of the Street Sections prepared by a licensed surveyor or a pre-1982 civil engineer at Owner's cost. Owner acknowledges that if the submitted survey sketch does not conform to BSM requirements and significant BSM time is required to prepare comments to the initial sketch and review a corrected sketch, the BSM application fee may be increased to reflect such additional BSM time, which increase would be at the rate of \$150 per hour.

(b) If City's Planning Department determines that the City's vacation of the Street Sections is exempt from review under CEQA or would not result in significant impacts that cannot be otherwise be addressed, within nine (9) months of receiving complete Street Vacation Materials that conform to the BSM's requirements for such items, BSM shall submit legislation (the "**Vacation Legislation**") to vacate the unpaved portions of Lombard Street and Winthrop

Street immediately abutting the Property from the public right of way to City's Board of Supervisors and Mayor for consideration in their sole and absolute discretion.

7. Term and Termination.

(a) This term of this Agreement (the "**Term**") shall commence on the date it is fully executed and shall expire on the earlier date (the "**Termination Date**") to occur of (i) the completion of the Project, and (ii) September 30, 2015. If either party defaults in the performance of its obligations under this Agreement, and fails to cure such default within five (5) business days of receiving written notice of such default from the other party, the non-defaulting party shall have the right to terminate this Agreement by delivering written notice of such termination to the defaulting party. If any material representation made by City or Owner in this Agreement is not correct and such representation has a material adverse effect upon the other party, the other party shall have the right to terminate this Agreement by delivering written notice of incorrect material representation to the party that made such representation.

(b) The acceptance of final payment of Owner's Project Payments under this Agreement by City shall operate as and shall be a release by City from all claims and liabilities against Owner and any of its successors, legal representatives, and assigns, for the Plans furnished by Owner to City under this Agreement. If the Owner timely delivers the Owner's Project Payments, performs its obligations under this Agreement and the License Agreement, and fully cooperates with City in allowing City to perform the Project, the Director shall consider the Owner to be in compliance with the Order and, on completion of the Project, the Order will be revoked as required by Section 102A.3 of the San Francisco Building Code.

8. No Representation or Warranty; Exculpation. Owner agrees and acknowledges that although the Department of Public Works, the Real Estate Division, BSM, and DBI are City departments, City staff and executives have no authority or influence over the officials, departments, boards, commissions or agencies responsible for the issuance of any regulatory approvals (including those required under CEQA or any City laws), which may be required for the Project or the passage of the Donation Legislation or the Vacation Legislation (individually, a "**Regulatory Agency**" and collectively, the "**Regulatory Agencies**"), including but not limited to City officials acting in a regulatory capacity. Accordingly, there is no guarantee, nor a presumption, that any of the Regulatory Approvals required for the approval of the Project or acceptance of the Donation Legislation or Vacation Legislation will be issued by the appropriate Regulatory Agency. Without limiting the foregoing, Owner understands and agrees that City staff have no obligation to advocate, promote or lobby any City official for any Regulatory Approval or for approval of the Project or of the Donation Legislation or Vacation Legislation. City's sole obligation shall be to present the Donation Legislation (provided that the conditions for such presentation set forth in Section 5 are timely fulfilled) and, if applicable, the Vacation Legislation (provided that the conditions for such presentation set forth in Section 6 are timely fulfilled), to the City's Board of Supervisors for its review and consideration. Owner hereby waives any claims against City, and fully releases and discharges City to the fullest extent permitted by law, from any liability relating to the failure of City or any Regulatory Agency from issuing any required Regulatory Approval or from issuing any approval of the Project or approval of the Donation Legislation or Vacation Legislation.

9. Ownership; Transfer by Owner. Owner represents and warrants to City that it is the sole owner in fee of the Property and the Plans, that no other person or entity has any ownership or possessory interest in the Property, and that the person signing on behalf of Owner has the authority to bind Owner to this Agreement. If Owner's title to or possession of all or any portion of the Property is sold, conveyed or otherwise transferred for any reason before the termination of this Agreement, Owner shall assign its rights and obligations under this Agreement to the new owner (who shall assume Owner's obligations hereunder) and shall immediately notify City in writing of such assignment and assumption and the name and address of the new owner.

10. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, *et seq.* The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Owner acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

11. Notification of Limitations on Contributions. Through its execution of this Agreement, Owner acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or six (6) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

12. Notices. Except as otherwise expressly provided herein, any notices given under this Agreement shall be effective only if in writing and shall be deemed duly given: (i) when delivered if personally delivered to the recipient; (ii) when transmitted by facsimile device during normal business hours, provided such device generating a written confirmation of such transmission and receipt and the original notice is deposited in first class mail within the first business day immediately following such transmission by facsimile; (iii) on the first business day following delivery to an overnight delivery service, provided delivery is confirmed by the delivery service; and (iv) on the earlier of actual receipt or three (3) days following deposit in United States registered or certified mail, postage prepaid and return receipt requested, addressed to the parties as set forth below. Any party may change its address for notices by giving written notice to the other parties in the manner set forth below.

If to City: Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property
Fax No.: (415) 552-9216

Department of Public Works
1 Dr. Carlton B. Goodlett Place
City Hall Room 348
San Francisco, CA 94102
Attn: Director of Public Works
Fax No.: (415) 544-6944

If to Owner: Mr. Neveo Mosser
The Mosser Companies
308 Jessie Street
San Francisco, CA 94103
Fax No.: (415) 284-9020

With Copy to: John G. Dooling, Esq.
Ropers, Majeski, Kohn & Bentley
1001 Marshall Street, Suite 500
Redwood City, CA 94063
Fax No.: (650) 780-1701

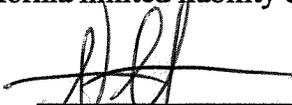
13. Attorneys' Fees. If either party commences an action against the other or a dispute arises under this Agreement, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes of this Agreement, the reasonable fees of attorneys of the Office of the City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

14. General Provisions. (a) This Agreement may be amended or modified only by a writing signed by City and Owner. (b) No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or contemplated hereunder may be made by the City's Director of Property and Director of Public Works, or their respective designees. All approvals and determinations of Owner requested, required or contemplated hereunder may be made by Neveo Mosser. (d) This Agreement (including the exhibits hereto) contains the entire agreement between the parties with respect to the Project, the proposed donation of the Property and the requested vacation of the Street Sections, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (e) The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. (f) Time is of the essence. (g) This Agreement shall be governed by California law and City's Charter. (h) If Owner consists of more than one party, then the obligations of each party shall be joint and several. (i) This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (j) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, administrators, executors and assigns. Any reference in this Agreement to "City" or "Owner", respectively, shall be deemed to include and apply to any successor, heir, administrator, executor or assign of such party. (k) This Agreement does not create a partnership or joint venture between Owner and City as to any activity conducted by City on, in or relating to the Property. (l) This Agreement shall become effective only when duly signed and delivered by the parties. (m) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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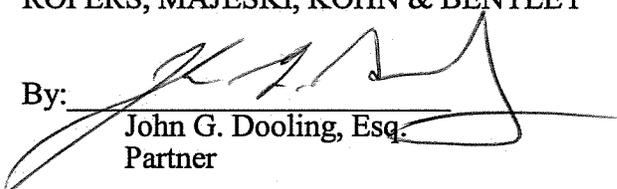
IN WITNESS WHEREOF, the parties have executed this Agreement as of the Agreement Date.

OWNER: 260V Lombard Street LLC, a California limited liability company

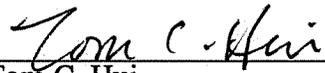
By: 
Neveo Mosser
Manager
Date: 8.22-14

APPROVED AS TO FORM:

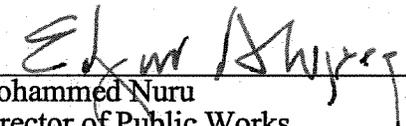
ROPER, MAJESKI, KOHN & BENTLEY

By: 
John G. Dooling, Esq.
Partner

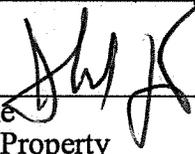
CITY: CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: 
Tom C. Hui
Director of Department of Building Inspection

Date: AUGUST 19, 2014

By: 
Mohammed Nuru
Director of Public Works

Date: AUGUST 14, 2014

By: 
John Updike
Director of Property

Date: 8/15/14

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: 
Carol Wong
Deputy City Attorney

EXHIBIT A

Legal Description of Property

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Beginning at the point of intersection of the Northerly line of Lombard Street and the Westerly line of Winthrop Street; running thence Northerly along said line of Winthrop Street, 90 feet 5 ½ inches; thence at a right angle Westerly, 40 feet, 7 inches; thence at a right angle Southerly, 90 feet, 5 ½ inches, to the Northerly line of Lombard Street; thence at a right angle Easterly along said line of Lombard Street, 40 feet, 7 inches, to the point of beginning.
Being a portion of Vara Block No. 59.

Assessor's Lot 005; Block 0060

EXHIBIT B

Order

[see attached]



ORDER OF ABATEMENT

January 14, 2014

Owner:
260V LOMBARD STREET LLC
308 JESSIE ST
SAN FRANCISCO CA 94103

Property Address: 260 LOMBARD ST,

Block: 0060 Lot: 005 Seq: 00
Tract: Case: BWO
Complaint: 291324192

Inspector: Li

ORDER OF ABATEMENT UNDER SAN FRANCISCO BUILDING CODE SECTION 102A.6 & 102A.7 ORDER NO. 106128-A HEARING OF THE COMPLAINT OF THE DIRECTOR OF THE DEPARTMENT OF BUILDING INSPECTION AGAINST THE PROPERTY AT THE LOCATION SHOWN ABOVE WAS HELD ON January 14, 2014 IN ACCORDANCE WITH THE SAN FRANCISCO BUILDING CODE SECTION 102A.5. THE HEARING WAS CONDUCTED BY A REPRESENTATIVE OF THE DIRECTOR. THE OWNER WAS NOT REPRESENTED.

BASED UPON THE FACTS AS SUBMITTED AT THE HEARING, THE DIRECTOR FINDS AND DETERMINES AS FOLLOWS:

1. THAT NOTICE HAS BEEN DULY GIVEN AS REQUIRED BY LAW AND THE ORDER OF THE DIRECTOR, AND MORE THAN 10 DAYS PRIOR TO THE HEARING.
2. THAT THE CONDITIONS ARE AS STATED IN THE COMPLAINT OF THE DIRECTOR OF THE DEPARTMENT OF BUILDING INSPECTION.
3. THAT THE CONDITIONS OF SAID STRUCTURE CONSTITUTES A PUBLIC NUISANCE UNDER THE TERMS OF THE BUILDING CODE OF THE CITY AND COUNTY OF SAN FRANCISCO.

THE DIRECTOR HEREBY ORDERS THE OWNER OF SAID BUILDING TO COMPLY WITH THE FOLLOWING:

- (1) 15 DAYS TO OBTAIN AN EVALUATION AND PROPOSAL FOR PERMANENT REPAIR OF HILLSIDE BY A LICENSED GEOTECHNICAL ENGINEER.
- (2) 30 DAYS TO FILE A BUILDING PERMIT APPLICATION TO COMPLY WITH THE GEOTECHNICAL PROPOSAL.
- (3) COMPLY WITH PLAN REVIEW COMMENTS AND TIME LIMITS.
- (4) 10 DAYS TO PICK UP PERMIT WHEN APPROVED.
- (5) 60 DAYS TO OBTAIN FINAL INSPECTION APPROVAL.

THE TIME PERIOD SHALL COMMENCE FROM THE DATE OF THIS ORDER. THE DEPARTMENT OF BUILDING INSPECTION SHALL BE REIMBURSED BY THE OWNER OF SAID BUILDING FOR ABATEMENT COSTS PURSUANT TO THE ATTACHED AND FUTURE NOTICES.

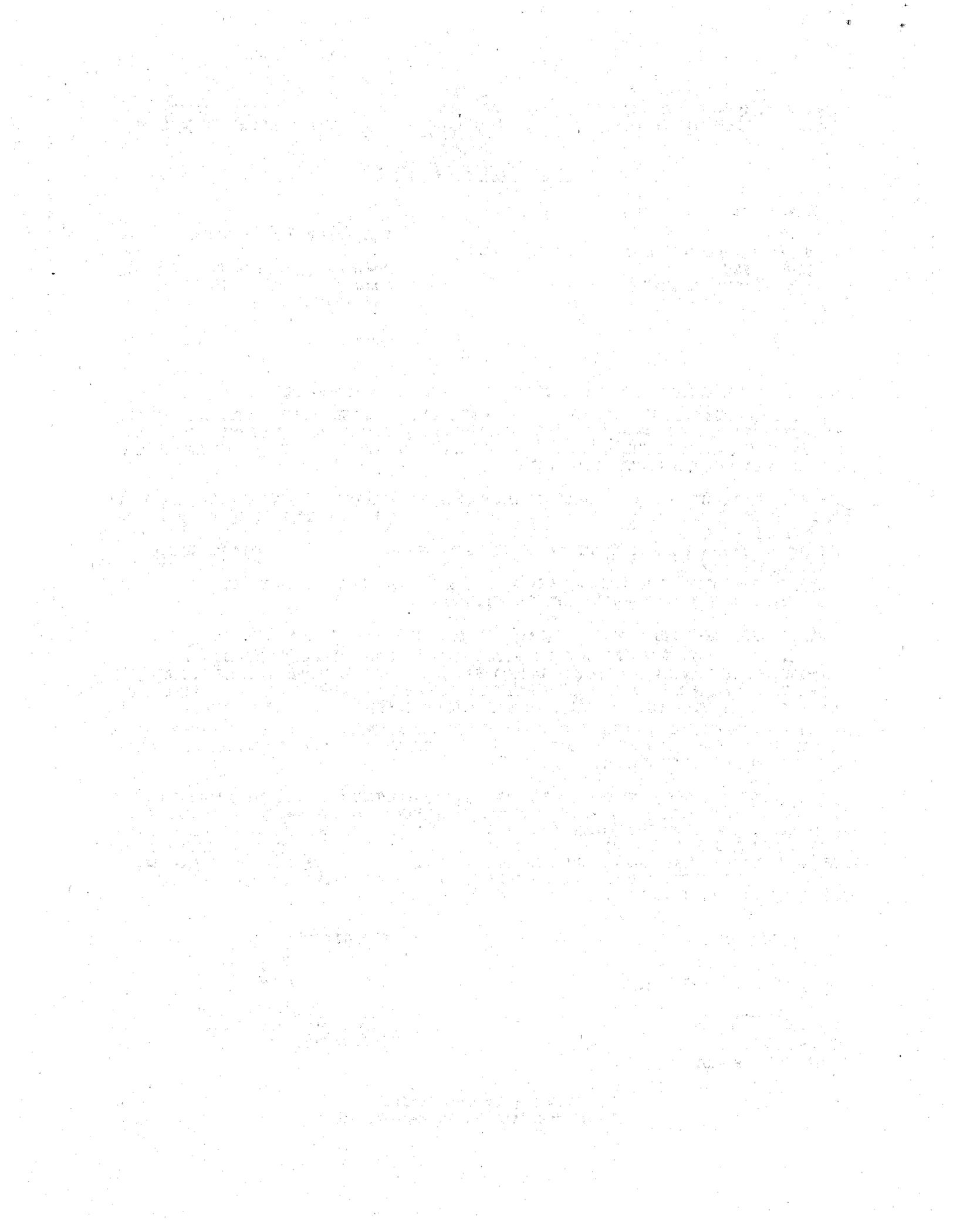
APPEAL: PURSUANT TO SECTION 105A.3 OF THE SAN FRANCISCO BUILDING CODE, ORDERS PERTAINING TO DISABLED ACCESS MAY BE APPEALED TO THE ACCESS APPEALS COMMISSION. PURSUANT TO SECTION 105A.2 OF THE SAN FRANCISCO BUILDING CODE, ORDERS PERTAINING TO WORK WITHOUT PERMIT MAY BE APPEALED TO THE ABATEMENT APPEALS BOARD. APPEALS MUST BE IN WRITING ON FORMS OBTAINED FROM THE APPROPRIATE APPEALS BODY AT 1660 MISSION ST., SAN FRANCISCO, CA 94103, Tel: (558-6454), AND MUST BE FILED WITH THE SECRETARY OF THE APPEALS BODY WITHIN FIFTEEN (15) DAYS OF THE POSTING AND SERVICE OF THIS ORDER.

RECOMMENDED BY:

Patrick O'Riordan
Chief Building Inspector
Phone No. (415) 558-6570
Fax No. (415) 558-6281

APPROVED BY:

Tom C. Hui, S.E., C.B.O., Director
Department of Building Inspection
Fax No. (415) 558-6474



City and County of San Francisco
Department of Building Inspection



Edwin M. Lee, Mayor
Tom C. Hui, S.E., C.B.O., Director

January 15, 2014

Property Address: 260 Lombard Street

Block: 0060 Lot: 005 Seq. 00

260V Lombard Street LLC
308 Jessie Street
San Francisco, CA 94103

Complaint No.: 201324192

Director's Order No.: 106128-A

**INITIAL BILL - Assessment of Costs
Code Enforcement Section**

Dear Property Owner(s):

Our records show that all required work was not completed PRIOR TO THE DIRECTOR'S HEARING AND RECORDATION OF THE ORDER OF ABATEMENT ON THE TITLE OF THIS PROPERTY. THIS RESULTED IN THE ACCRUAL OF AN ASSESSMENT OF COSTS pursuant to Sections 102A.3 & 102A.17 of the San Francisco Building Code. These code sections require that this Department's cost of preparation for and appearance at the hearing, and all prior and subsequent attendant costs "shall be assessed upon the property owner."

The Assessment of Cost AMOUNT accrued to date NOW DUE AND PAYABLE is: \$1,083.00.

Payment must be by Cashier's Check or money order & must be accompanied by this original letter.

Make all checks payable to: The Department of Building Inspection.
Mailed payments can be sent to:

Assessment of Costs Payment
Department of Building Inspection
Code Enforcement Section
1660 Mission Street, 6th Floor
San Francisco, CA 94103

TO AVOID HAVING A LIEN RECORDED UPON YOUR PROPERTY AND LEVIED ON YOUR NEXT PROPERTY TAX BILL, it is necessary for you to render payment immediately.

Note: The Order of Abatement cannot be removed from the title nor can the complaint against this property be abated, until appropriate permits are issued, inspections are performed to verify correction of violations, final inspection approvals are granted and further accrued Assessments of Costs are paid.

All violations must be abated AS SOON AS POSSIBLE TO AVOID OR MINIMIZE ADDITIONAL COSTS & PENALTIES. All additional time accrued from this billing to the final abatement of your case will be sent to you in a separate and final assessment of costs bill.

Contact the Code Enforcement Division at (415) 558-6454 should you have any questions concerning this matter. Your prompt cooperation on this matter is appreciated.

su
PO:JH:gsb

cc: CES File

Very truly yours,

Patrick O'Riordan
Chief Building Inspector

Code Enforcement Section
1660 Mission Street - San Francisco CA 94103
Office (415) 558-6454 - FAX (415) 558-6226 - www.sfdb.org

EXHIBIT C

Form of License Agreement

[see attached]

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**License**"), dated for reference purposes only as of August 13, 2014, is made by and between 260V Lombard Street LLC, a California limited liability company ("**Owner**"), and the City and County of San Francisco, a municipal corporation ("**City**").

RECITALS

A. Owner owns the real property commonly known as 260 Lombard Street, in San Francisco, California, and more particularly described in the attached Exhibit A (the "**Property**").

B. Owner and City wish to mitigate certain conditions at the Property, and City has agreed to perform mitigation work at the Property pursuant to an Agreement for Mitigation Work between Owner and City and dated as of August 13, 2014 (the "**Agreement**").

C. City needs to access the Property to perform such mitigation work, and Owner agrees to provide such access on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for such other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Owner and City hereby agree as follows:

1. License. Owner hereby grants City a temporary, non-exclusive and non-possessory right for City and its employees, contractors, subcontractors, representatives, agents or consultants (collectively, "**City's Agents**") to enter upon and use the Property for the limited purposes, and subject to the terms, conditions and restrictions, set forth below. This License gives City a license only and does not constitute the grant of any ownership, leasehold, easement or other property interest or estate in all or any portion of the Property.

2. Term. This term of this License (the "**Term**") shall commence on the date it is fully executed and shall expire on the first anniversary thereof (the "**Expiration Date**"); provided, however, that if the Work (as defined in Section 3) is not completed by the Expiration Date, this License shall continue on a month to month basis after the Expiration Date until the earlier date to occur of the completion of the Work or the thirtieth (30th) day following the date that either party delivers written notice of termination of this License to the other party.

3. Permitted Uses of the Property. City and City's Agents shall have the right to enter the Property for the purpose of performing, at City's sole cost and expense, the activities shown and/or described in that certain Rock Slope Improvement Plan prepared for the Property by Cotton, Shires & Associates, Inc. and dated May 6, 2014 (the "**Plans**"), as may be modified, and City's rights or obligations under this License (collectively, the "**Work**"). The Plans provide for certain improvements to be installed and left at the Property (collectively, the "**Improvements**"). Owner acknowledges that if the Improvements are installed in substantial compliance with the Plans, City shall have the right to leave the Improvements at the Property, and on installation, the Improvements shall be deemed part of the Property and City shall have no remaining interest or obligations thereto.

4. General Conditions for Performance of the Work.

(a) Permits and Approvals. City shall obtain, at its sole cost and expense, all applicable permits, licenses and approvals (collectively, "**Approvals**") of any regulatory agencies (including City acting in its regulatory capacity) required for the performance of the Work by or for City. Owner shall cooperate in good faith with City to submit any necessary

consents or other documents reasonably required to enable City or City's Agents to apply for and obtain such Approvals.

(b) Exercise of Due Care; No Liens. City shall use, and shall cause City's Agents to perform, all Work in a good and workmanlike manner, and shall remove any debris dropped on or from the Property in the performance of any of the Work. City shall keep the Property free and clear of any liens or claims of lien arising out of or in any way connected with its use of the Property pursuant to this License. In the event any such liens are recorded, removal thereof shall be the sole cost and responsibility of City with no cost to Owner.

(c) Contractor. City shall retain a California-licensed contractor with experience in performing work similar to the Work as the general contractor for the performance of the Work (the "**Contractor**"), and shall notify Owner when City enters into a contract with Contractor for the Work. City shall provide Owner with Contractor's proposed schedule for the performance of the Work, and require that Contractor provide Owner with no less than ten (10) days' prior written notice of the commencement of the Work on the Property.

(d) Compliance with Laws. City shall cause, at its expense, the Work to be conducted in a safe and prudent manner and in compliance with all laws, regulations, codes, ordinances and orders of any governmental or other regulatory entity, whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties.

5. Project Contacts. City has designated Rinaldi Wibowo (the "**Project Manager**"), as the individual for Owner to contact if any problems with respect to the Property arise while City is conducting the Work. Prior to commencement of any of the Work, City shall provide Owner with the telephone numbers of the Construction Manager. City may change the designation and telephone numbers of the Construction Manager by delivering written notice of such change to Owner. Owner has designated Neveo Mosser (the "**Property Manager**") as the individual for City to contact if any problems with respect to the Property arise while City is conducting the Work. Prior to commencement of any of the Work, Owner shall provide City with the telephone numbers of the Property Manager. Owner may change the designation and telephone numbers of the Property Manager by delivering written notice of such change to City.

6. Insurance. City shall cause the Contractor to procure and keep in effect at all times during the performance of the Work on the Property, at no expense to Owner, the insurance described on the attached Exhibit B. City shall cause the Contractor to name Owner as additional insured under the general liability and automobile liability insurance in the manner set forth in Exhibit B.

7. City's Right to Terminate Work. City shall have no obligation to commence or complete any of the Work if Owner fails to provide City with access to the Property on the terms of this License or fails to timely cure any default by Owner under the Agreement. Without limiting the foregoing, City reserves the right, at its sole option, to withdraw from the Work at any time prior to completion if City determines, in its sole and absolute discretion, that it is inappropriate or impractical to complete the Work for any reason whatsoever, including, by way of example only and without limitation, economic unfeasibility, unavailability of funds, impracticality or difficulty of site conditions, or City's re-evaluation of the need for the Work.

8. Surrender. Within thirty (30) days after completion of the Work or the earlier termination of this License, City shall surrender the Property with the Improvements, clear of all debris generated through the performance of the Work or by the entry on the Property by City or City's Agents pursuant to this License. At such time, City shall, at its sole cost, remove all of its property from the Property and repair any damage to the Property caused by such removal. City's obligations under this Section shall survive any termination of this License.

9. Condition of Property. Owner has provided City with all information in its possession regarding the environmental condition of the Property, the condition of the Property soils, and

the location of underground utilities and underground storage tanks that may be in or under the portions of the Property affected by the Work. Owner has no actual knowledge of the presence of any Hazardous Material (defined as follows) in the soil or groundwater beneath the Property.

"Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 *et seq.*, or pursuant to Section 25316 of the California Health & Safety Code; a "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 Property or are naturally occurring substances in the Property, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "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 in, on, under or about the Property.

City accepts the Property in its "AS IS" condition, without representation or warranty of any kind by Owner other than any made in this License, and subject to all applicable laws, rules and ordinances governing the use of the Property, and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the Property, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. Notwithstanding anything to the contrary in the foregoing, City shall have no obligation to remediate any Hazardous Materials existing on the Property prior to the commencement of the Work; provided, however, that City shall remediate any such pre-existing Hazardous Material to the extent it was negligently released through the performance of the Work.

10. Indemnity.

(a) City shall indemnify, defend and hold harmless Owner and its employees, representatives, and agents, and their successors and assigns (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all claims, demands, losses, damages, liens, causes of action, legal actions, judgments, awards, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees, (collectively, "**Losses**") caused by (1) personal injury or death caused by the performance of the Work, (2) City's default in its material obligations hereunder, or (3) any release of Hazardous Materials in or on the Property as a result of the actions of City or City's Agents on the Property pursuant to this License. Notwithstanding anything to the contrary in the foregoing, City's obligations hereunder shall not include any Loss to the extent it results from (i) the willful misconduct or negligence of any Indemnified Party, (ii) the discovery of any pre-existing Hazardous Material or the discovery of any deficient condition affecting the Property, or (iii) the non-negligent release of any pre-existing Hazardous Material existing on the Property discovered by City through the performance of the Work; provided, however, that once City learns of such pre-existing Hazardous Material, City shall modify its performance of the Work to prevent any further release thereof.

(b) In addition to the indemnity that is described in the foregoing subsection, the City will require the Contractor to provide an indemnity to Owner that meets the terms that are set forth in the attached Exhibit C.

(c) In all cases, regardless of whether the Owner is proceeding under the foregoing subsection (a) or subsection (b), Owner must give notice of any claim for Losses it may have against City under this indemnity within one hundred eighty (180) days after learning of the Loss. In all cases, regardless of whether the Owner is proceeding under the foregoing

subsections (a) or (b), the City's obligations under this Section shall terminate on the first anniversary of the date that this License expires or terminates. Owner agrees and acknowledges that in the event of a conflict between the provisions of the foregoing subsections (a) or (b), the provisions of the foregoing subsection (a) will control.

11. Ownership; Transfer by Owner. Owner represents and warrants to City that it is the sole owner in fee of the Property, that no other person or entity has any ownership or possessory interest in the Property, that Owner has full right and authority to grant the license contained in this License to City without the consent of any other person or entity, and that the person signing on behalf of Owner has the authority to bind Owner to this License. If Owner's title to or possession of all or any portion of the Property is sold, conveyed or otherwise transferred for any reason before the termination of this License, Owner shall assign its rights and obligations under this License to the new owner (who shall assume Owner's obligations hereunder) and shall immediately notify City in writing of such assignment and assumption and the name and address of the new owner.

12. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, *et seq.* The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Owner acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

13. Tropical Hardwoods and Virgin Redwoods. The City and County of San Francisco urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, virgin redwood wood product.

14. Notification of Limitations on Contributions. Through its execution of this License, Owner acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or six (6) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

15. Notices. Except as otherwise expressly provided herein, any notices given under this License shall be effective only if in writing and shall be deemed duly given: (i) when delivered if personally delivered to the recipient; (ii) when transmitted by facsimile device during normal business hours, provided such device generating a written confirmation of such transmission and receipt and the original notice is deposited in first class mail within the first business day immediately following such transmission by facsimile; (iii) on the first business day following delivery to an overnight delivery service, provided delivery is confirmed by the delivery service; and (iv) on the earlier of actual receipt or three (3) days following deposit in United States registered or certified mail, postage prepaid and return receipt requested, addressed to the parties as set forth below. Any party may change its address for notices by giving written notice to the other parties in the manner set forth below.

If to City:

Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property
Fax No.: (415) 552-9216

and: Department of Public Works
1 Dr. Carlton B. Goodlett Place
City Hall Room 348
San Francisco, CA 94102
Attn: Director of Public Works
Fax No.: (415) 544-6944

If to Owner: Mr. Neveo Mosser
The Mosser Companies
308 Jessie Street
San Francisco, CA 94103
Fax No.: (415) 284-9020

with a copy to: John G. Dooling, Esq.
Ropers, Majeski, Kohn & Bentley
1001 Marshall Street, Suite 500
Redwood City, CA 94063
Fax No.: (650) 780-1701

16. Attorneys' Fees. If either party commences an action against the other or a dispute arises under this License, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes of this License, the reasonable fees of attorneys of the Office of the City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

17. General Provisions. (a) This License may be amended or modified only by a writing signed by City and Owner. (b) No waiver by any party of any of the provisions of this License shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or contemplated hereunder may be made by the City's Director of Property and Director of Public Works, or their respective designees. All approvals and determinations of Owner requested, required or contemplated hereunder may be made by Neveo Mosser. (d) This instrument (including the exhibits hereto) contains the entire agreement between the parties with respect to the Work and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (e) The section and other headings of this License are for convenience of reference only and shall be disregarded in the interpretation of this License. (f) Time is of the essence. (g) This License shall be governed by California law and City's Charter. (h) If Owner consists of more than one party, then the obligations of each party shall be joint and several. (i) This License shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (j) This License shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, administrators, executors and assigns. Any reference in this License to "City" or "Owner", respectively, shall be deemed to include and apply to any successor, heir, administrator, executor or assign of such party. (k) This License does not create a partnership or joint venture between Owner and City as to any activity conducted by City on, in or relating to the Property. (l) Nothing in this License shall be deemed a gift or dedication of any portion of the Property to the general public or for the general public, it being the intention of the parties that the license granted hereunder and any other rights granted hereby shall be limited to and for the purposes specified herein. (m) This License shall become effective only when duly signed and delivered by the parties. (n) This License may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this License as of the date first set forth above.

OWNER: 260V Lombard Street LLC, a
California limited liability company

By: _____
Neveo Mosser, Manager

Date: _____

CITY: CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Updike, Director of Property

Date: _____

RECOMMENDED:

Mohammed Nuru, Director of Public Works

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Carol Wong
Deputy City Attorney

EXHIBIT A

Legal Description of Property

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Beginning at the point of intersection of the Northerly line of Lombard Street and the Westerly line of Winthrop Street; running thence Northerly along said line of Winthrop Street, 90 feet 5 ½ inches; thence at a right angle Westerly, 40 feet, 7 inches; thence at a right angle Southerly, 90 feet, 5 ½ inches, to the Northerly line of Lombard Street; thence at a right angle Easterly along said line of Lombard Street, 40 feet, 7 inches, to the point of beginning.
Being a portion of Vara Block No. 59.

Assessor's Lot 005; Block 0060

EXHIBIT B

Contractor Insurance Requirements

A. Contractor shall maintain in full force and effect, for the period covered by the contract between City and Contractor for any of the Work (the "Contract"), the following liability insurance with the following minimum specified coverages or coverages as required by laws and regulations, whichever is greater:

1. Worker's Compensation in statutory amount, including Employers' Liability coverage with limits not less than \$1,000,000.00 each accident, injury, or illness.

2. Commercial General Liability insurance with limits not less than \$10,000,000.00 each occurrence, and \$20,000,000 general aggregate, combined single limit for bodily injury and property damage, including coverage for Contractual Liability, independent contractors, Explosion, Collapse, and Underground (XCU), Personal Injury, Broadform Property Damage, and completed operations.

3. Commercial Automobile Liability insurance with limits not less than \$1,000,000.00 each occurrence combined single limit for bodily injury and property damage, including owned, hired or non-owned vehicles, as applicable.

B. In the event that Contractor employs professional engineering or land surveyor services for performing field engineering or preparing design calculations, plans and specifications for the Work, Contractor shall require the retained engineers and land surveyors to carry professional liability insurance with limits not less than \$5,000,000 each claim with respect to negligent acts, errors, or omissions in connection with professional services to be provided for the Work.

C. For general liability and automobile liability insurance, Contractor shall include as additional insured, the City, its board members and commissions, all authorized agents and representatives, and members, directors, officers, trustees, agents and employees of any of them, and 260V Lombard Street, LLC.

D. Before commencement of any work under the Contract, certificates of insurance and policy endorsements in form and with insurers acceptable to the City, evidencing all required insurance and with proper endorsements from Contractor's insurance carrier identifying the required additional insureds shall be furnished to the City, with complete copies of policies to be furnished to the City promptly upon request.

E. The Contractor and its subcontractors shall comply with the provisions of California Labor Code section 3700. Prior to commencing the performance of work, the Contractor and all of its subcontractors shall submit to the awarding department a certificate of insurance against liability for workers compensation or proof of self-insurance in accordance with the provisions of the California Labor Code.

F. Liability insurance shall be on an occurrence basis, and said insurance shall provide that the coverage afforded thereby shall be primary coverage (and non-contributory to any other existing valid and collectable insurance) to the full limit of liability stated in the declaration, and such insurance shall apply separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limits of liability.

G. Should any of the required insurance be provided under a form of coverage that includes an annual general aggregate limit or provides that claims investigation or legal defense costs be included in such annual general aggregate limit, such general annual aggregate limit shall be two

times the occurrence limits stipulated. City reserves the right to increase any insurance requirement as needed and as appropriate.

H. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of the Contract, and without lapse, for a period 4 years beyond the Contract final completion date, to the effect that, should occurrences during the Contract term give rise to claims made after expiration of the Contract, such claims shall be covered by such claims-made policies.

I. Each such policy shall be endorsed to provide 30 days advance written notice to the City of reduction or non-renewal of coverages or cancellation of coverages for any reason. All notices shall be made to:

Manager, Contract Administration Division
City and County of San Francisco
1155 Market Street, 4th Floor
San Francisco, CA 94103

J. Insurance companies shall be legally authorized to engage in the business of furnishing insurance in the State of California. All insurance companies shall have a current A.M. Best Rating not less than "A-,VIII" and shall be satisfactory to the City.

EXHIBIT C

Required Contractor Indemnification Language

- A. Consistent with California Civil Code section 2782, Contractor shall assume the defense of, indemnify and hold harmless 260V Lombard, LLC from all claims, suits, actions, losses and liability of every kind, nature and description, including but not limited to attorney's fees, directly or indirectly arising out of, connected with or resulting from Contractor's performance of the Work. This indemnification shall not be valid in the instance where the loss is caused by the sole negligence or intentional tort of such indemnified party.
- B. On request, Contractor shall defend any action, claim or suit asserting a claim covered by this indemnity. Contractor shall pay all costs that may be incurred by 260V Lombard LLC in enforcing its indemnity against Contractor, including reasonable attorney's fees.
- C. Contractor's liability shall not be limited to the amount of insurance coverages required under the Contract.

EXHIBIT D

Certificate of Funds

[see attached]



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

August 11, 2014

Mohammed Nuru, Director
San Francisco Department of Public Works
1 Dr. Carlton B. Goodlett Place, Room 348
San Francisco, CA 94102

Attention: Julia Dawson, Deputy Director of Finance and Administration

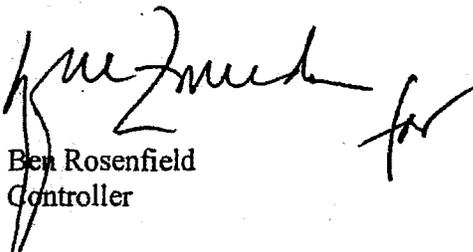
RE: Telegraph Hill Stabilization Funding

The San Francisco Building Code - Use of Repair and Demolition Fund for Telegraph Hill Stabilization Ordinance (the Ordinance) File Number 140627 authorizes the City of San Francisco to implement the Telegraph Hill Rock Slope Improvement Project. This ordinance specifies that the project cost to address the privately owned portions of the affected properties is approximately \$1.8 million.

This letter certifies that these funds are available to be used for the purpose stated, in the Repairs and Demolition Project (Project PBIRD) within the Department of Building Inspection's annual appropriations. Per the Ordinance, the work shall be implemented by the Department of Public Works. Additionally, \$2.0 million is budgeted with the Department of Public Works for work on Telegraph Hill. In sum, a total of \$3.8 million has been appropriated for Telegraph Hill stabilization work.

Please contact Risa Sandler at 415-554-6626 if you have any questions regarding this certification.

Sincerely,


Ben Rosenfield
Controller

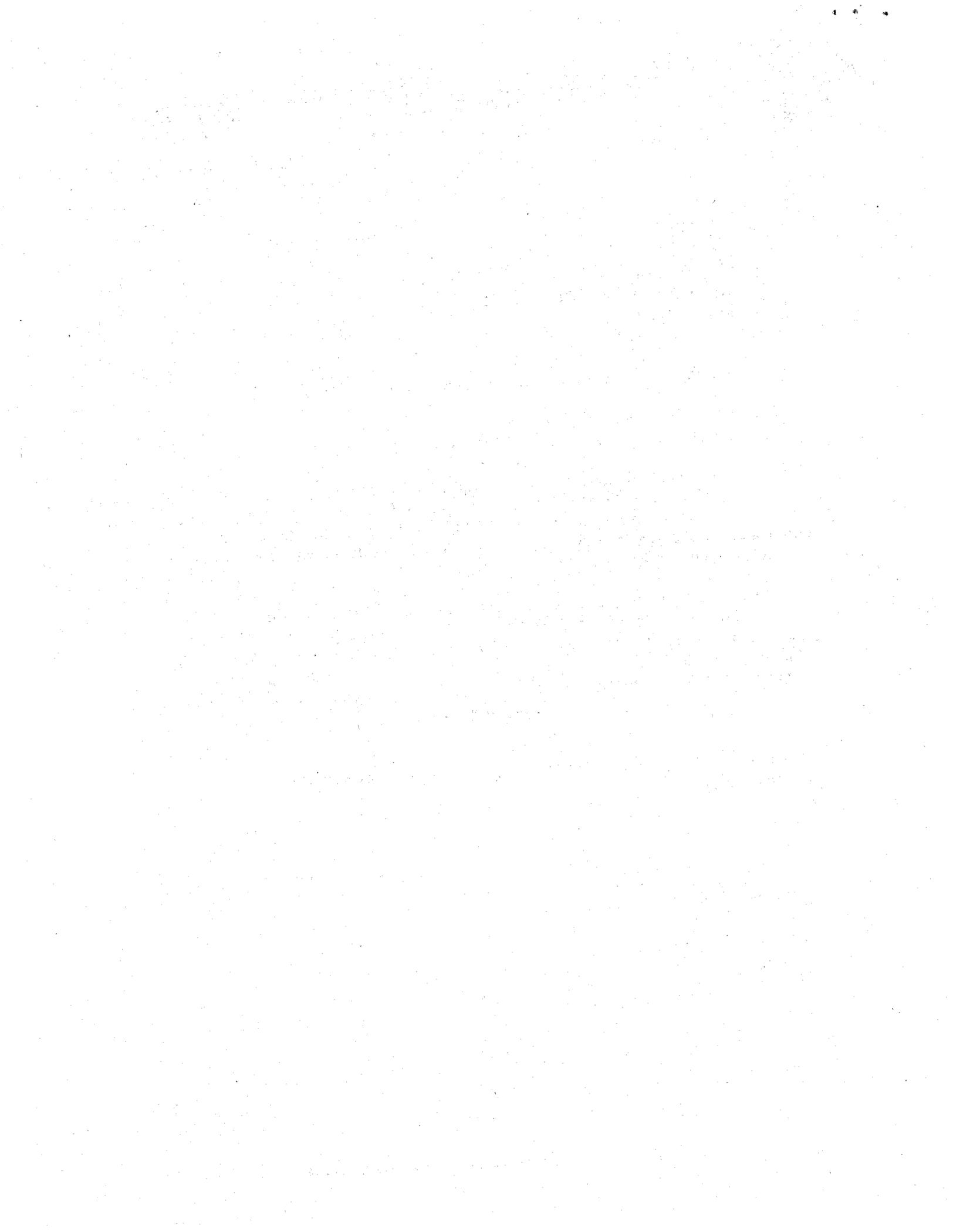


EXHIBIT E

Form of Order Extension and DBI Letter

REVISION TO ORDER OF ABATEMENT
NO. 106128-A ISSUED ON JANUARY 14, 2014

_____, 2014

Owner:
260V LOMBARD STREET LLC
308 JESSIE STREET
SAN FRANCISCO, CA 94103

Property Address: 260 Lombard

Block: 0060 Lot: 005
Tract: Case: BWO
Complaint: 201324192

Inspector: Li

HEARING OF THE COMPLAINT OF THE DIRECTOR OF THE DEPARTMENT OF BUILDING INSPECTION AGAINST THE PROPERTY AT THE LOCATION SHOWN ABOVE WAS HELD ON JANUARY 14, 2014 IN ACCORDANCE WITH SAN FRANCISCO BUILDING CODE SECTION 102A.5. THE HEARING WAS CONDUCTED BY A REPRESENTATIVE OF THE DIRECTOR. THE OWNER WAS NOT REPRESENTED.

Based upon the facts submitted at the hearing, the Director found and determined that the conditions on the above property constituted a public nuisance under the San Francisco Building Code, and ordered the property owner ("Owner") to comply with the following timeline commencing from the date of the Order: (1) 15 days to obtain an evaluation and proposal for permanent repair of hillside by a licensed geotechnical engineer, (2) 30 days to file a building permit application to comply with the geotechnical proposal, (3) comply with plan review comments and time limits, (4) 10 days to pick up permit when approved, (5) 60 days to obtain final inspection approval. The Owner was further ordered to pay the Assessment of Costs attached to the Order and any future notices. This Order of Abatement was recorded in the Office of the San Francisco Assessor-Recorder on June 20, 2014.

The Owner has executed a Mitigation Work Agreement with the City and County of San Francisco dated _____, 2014 ("Agreement"), in which the Owner agrees to, among other things, do the following: (1) pay for and cause to be delivered to the City plans for repair of the hillside that were prepared by Cotton, Shires & Associates at the Owner's request in response to the Order, (2) authorize the Department of Public Works ("DPW") to apply to DBI and the Planning Department for the building permit and environmental review necessary to do hillside repair work at the above property, and (3) deliver to DPW the fees required to pay for the building permit and environmental review and the Assessment of Costs dated January 15, 2014 that was attached to the Order within five business days of having received the City's notice of the amount of such fees. If Owner timely performs its obligations under the Agreement, DPW agrees to perform the needed hill stabilization work at the above property, using a California-licensed contractor with prior experience performing similar work.

THE JANUARY 14, 2014 ORDER OF ABATEMENT IS HEREBY REVISED AS FOLLOWS: As long as the Owner complies with the Owner's commitments under the Agreement, and fully cooperates with the City and County of San Francisco in allowing the City to perform the hillside repair work described in the Agreement, the Director shall consider the Owner in compliance with the Order. As required by Section 102A.3 of the San Francisco Building Code, the recorded Order will be revoked upon the completion of the required work and payment of the Assessment of Costs dated January 15, 2014.

[Neveo Mosser]

Re: 260 Lombard Street
Block: 0060; Lot 005
Complaint: 201324192

Dear Mr. Mosser:

On January 14, 2014, the San Francisco Department of Building Inspection ("DBI") issued an Order of Abatement concerning the above-referenced complaint, which was recorded in the Office of the San Francisco Assessor-Recorder on June 20, 2014. The 2014 Order required you, as the owner of the property, to (1) obtain within 15 days an evaluation and proposal by a geotechnical engineer for permanent repair of portions of the hillside, (2) file an application for a building permit to comply with the geotechnical proposal within 30 days, (3) comply with plan review comments and time limits, (4) pick up the permit within 10 days of the approval, and (5) obtain final inspection approval of the work within 60 days.

You have executed a Mitigation Work Agreement with the City and County of San Francisco dated _____ ("Agreement"), in which you agree, among other things, to do the following: (1) pay for and cause to be delivered to the City plans for repair of the hillside that were prepared by Cotton, Shires & Associates at your request in response to the Order ("Plans"), (2) authorize the Department of Public Works ("DPW") to apply to DBI and the Planning Department for the building permit and environmental review necessary to do the hillside repair work detailed in the Plans, and (3) deliver to DPW the fees required to pay for the building permit and environmental review and the Assessment of Costs dated January 15, 2014 that was attached to the Order within five business days of having received the City's notice of the amount of such fees. In the Agreement, the City agrees to perform the work proposed in the Plans and to retain a California-licensed contractor with prior experience performing work similar to that proposed in the Plans.

This letter advises you that as long as you comply with your commitments under the Agreement, and fully cooperate with the City in allowing it to perform the hillside repair work described in the Agreement, the Department of Building Inspection will take no further enforcement action on the Order, and will revoke the recorded Order upon the completion of the required work and payment of the Assessment of Costs dated January 15, 2014 as required by Section 102A.3 of the San Francisco Building Code.

Very truly yours,

Tom C. Hui
Director

EXHIBIT F

Form of Deed and Certificate of Acceptance

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

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

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)

**QUITCLAIM DEED
(APN 0060-005)**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, 260V LOMBARD STREET LLC, a California limited liability company ("Grantor"), hereby releases, remises and quitclaims 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.

Executed as of this _____ day of _____, 20__.

260V LOMBARD STREET LLC,
a California limited liability company

By: _____
Name: _____
Its: _____

State of California)
) ss
County of San Francisco)

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

Witness my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

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

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By:

John Updike
Director of Property

EXHIBIT A

Legal Description of the Property