

File No. 250704

Committee Item No. 11

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 16, 2025

Board of Supervisors Meeting Date _____

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Completed by: Brent Jalipa Date July 10, 2025

Completed by: Brent Jalipa Date _____

1 [Real Property Acquisition - Pacifica SFO LLC - 601-617 Laguna Street - Not to Exceed
2 \$20,000,000 - Certain Administrative Code Waivers]

3 **Ordinance 1) approving and authorizing the Director of Property to acquire certain real**
4 **property located at 601-617 Laguna Street (Assessor's Parcel Block No. 0806, Lot No.**
5 **002) (the "Property"); 2) approving and authorizing an Agreement of Purchase and Sale**
6 **for Real Estate (the "Purchase Agreement") for the acquisition of the Property from**
7 **Pacifica SFO LLC, a California limited liability company ("Seller"), for \$11,030,000**
8 **together with a Construction Management Agreement attached as Exhibit E to the**
9 **Purchase Agreement for the completion of certain improvements and the repair of**
10 **deficiencies on the Property (the "Project") by Seller for an amount not to exceed**
11 **\$8,140,000 that includes a construction management fee, an amount not to exceed**
12 **\$800,000 for the City contingency, and an amount not to exceed \$30,000 for closing**
13 **costs for a total anticipated not to exceed project cost of \$20,000,000; 3) authorizing**
14 **the Director of Property to make certain modifications to the Purchase Agreement and**
15 **take certain actions in furtherance of the Purchase Agreement, as defined herein; 4)**
16 **exempting the Project from contracting requirements in Administrative Code, Chapter 6**
17 **and Chapter 14B; 5) approving the Seller and its architect, consultants, general**
18 **contractor, subcontractors, employees and affiliates without competitive bidding, but**
19 **requiring the payment of prevailing wages, implementation of a local business**
20 **enterprise utilization program, and compliance with the City's local hire policy and first**
21 **source hiring Ordinance; and 6) placing the Property under the jurisdiction of the Real**
22 **Estate Division; affirming the Planning Department's determination under the California**
23 **Environmental Quality Act; and adopting the Planning Department's finding that the**
24 **Purchase Agreement, and the transactions contemplated therein, are consistent with**
25 **the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. CEQA and Land Use Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance are categorically exempt and are not subject to review under the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 240477 and is incorporated herein by reference. The Board affirms this determination.

(b) On August 17, 2023, the Planning Department determined that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts this determination as its own. A copy of said determination is on file with the Clerk of the Board of Supervisors in File No. 240477, and is incorporated herein by reference.

Section 2. Background and General Findings.

(a) The Real Estate Division ("RED"), along with the Department of Public Health ("DPH") have searched for a suitable site for the location and operation of an assisted living facility to preserve the services in the City and expand the number of assisted living beds in the City that are accessible to clients of the City's public health system. RED and DPH conducted a search of assisted living facilities in the City and determined that the property located at 601-617 Laguna Street (Assessor's Block 0806, Lot 002) (the "Property") is well-

1 suited to DPH's goal of expanding and preserving its portfolio of residential care and
2 treatment beds. This expansion is a major element of Mental Health SF, the City's strategic
3 framework for improving the behavioral health system for the City's most vulnerable residents.
4 The Property will serve low-income senior and adult residents who require support with daily
5 tasks.

6 (b) The Property consists of an approximately 6,146 square foot parcel of land with
7 a two-story, approximately 10,300 rentable square foot building (the "Building") that is licensed
8 for 47 beds.

9 (c) The Building is currently vacant. Historically, the Building was operated along
10 with an adjacent property at 624 Laguna Street, which was acquired by the City in July of
11 2024 pursuant to Resolution No. 401-24.

12 (d) DPH completed an assessment of the condition of the Building and an
13 environmental review of the Property, and determined there was 1) deferred maintenance on
14 the Building; 2) a seismic upgrade performed on the Building in 1997 that was incorrectly
15 performed and therefore deficient; and 3) modifications required for the planned DPH
16 programming in the Building.

17 (e) RED negotiated an acquisition price of \$11,030,000 for the Property. Pacifica
18 SFO LLC, a California limited liability company ("Seller") agreed to cure the seismic
19 deficiencies at their sole cost. The modifications required for DPH's programming and
20 deferred maintenance (the "Project") is estimated to total a not-to-exceed amount of
21 \$8,140,000, which includes an amount not to exceed \$260,000 paid to Seller to manage the
22 Project. There is also an \$800,000 City contingency for the Project. It is anticipated that
23 closing costs will total an amount not to exceed \$30,000. Collectively, these project costs are
24 anticipated not to exceed \$20,000,000.

1
2 Section 3. Public Purpose.

3 The Board of Supervisors finds that the anticipated use of the Property as an assisted
4 living facility serves a public purpose.
5

6 Section 4. Approval of Purchase Agreement and Related Authorizations.

7 (a) In accordance with the recommendation of the Director of Property, the Board of
8 Supervisors approves the Agreement of Purchase and Sale for Real Estate (the "Purchase
9 Agreement") in substantially the form on file with the Clerk of the Board of Supervisors in File
10 No. 250704.

11 (b) The Board of Supervisors authorizes the Director of Property, or the Director's
12 designee, to enter into, execute, and perform the City's obligations under the Purchase
13 Agreement.
14

15 Section 5. Administrative Code Chapters 6 and Chapter 14B Exemption.

16 The Board of Supervisors recognizes that the Project is best addressed by Seller, as
17 owner of the Property, and approves Seller and its architect, consultants, general contractor,
18 subcontractors, employees and affiliates without competitive bidding. Accordingly, the
19 requirements of Administrative Code Chapter 6 or Chapter 14B do not apply; however, the
20 payment of prevailing wages, implementation of a local business enterprise (LBE)
21 subcontractor utilization program, and compliance with the local hire policy and first source
22 hiring under Administrative Code Chapter 83 will apply as set forth in the Construction
23 Management Agreement attached as Exhibit E to the Purchase Agreement.
24

25 Section 6. Additions, Amendments, and Modifications.

1 The Board of Supervisors authorizes the Director of Property, or the Director's
2 designee, in consultation with the City Attorney, to enter into any additions, amendments, or
3 other modifications to the Purchase Agreement and any other documents or instruments
4 necessary in connection therewith that the Director of Property determines, in consultation
5 with the City Attorney, are in the best interests of the City, do not materially decrease the
6 benefits to the City, do not materially increase the obligations or liabilities of the City, are
7 necessary or advisable to effectuate the purposes of the Purchase Agreement or this
8 ordinance, and are in compliance with all applicable laws, such determination to be
9 conclusively evidenced by the execution and delivery by the Director of Property of any such
10 additions, amendments, or other modifications.

11
12 Section 7. Effective Date.

13 This ordinance shall become effective 30 days after enactment. Enactment occurs
14 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
15 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
16 Mayor's veto of the ordinance.

17
18 Section 8. Inclusion of Final Purchase Agreement in Board File.

19 Within 30 days of the Purchase Agreement being fully executed by all parties, RED
20 shall submit to the Clerk of the Board of Supervisors a fully executed copy of the Purchase
21 Agreement for inclusion in Board File No. 250704.

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LEGISLATIVE DIGEST

[Real Property Acquisition - Pacifica SFO LLC - 601-617 Laguna Street - Not to Exceed \$20,000,000 - Certain Administrative Code Waivers]

Ordinance 1) approving and authorizing the Director of Property to acquire certain real property located at 601-617 Laguna Street (Assessor's Parcel Block No. 0806, Lot No. 002) (the "Property"); 2) approving and authorizing an Agreement of Purchase and Sale for Real Estate (the "Purchase Agreement") for the acquisition of the Property from Pacifica SFO LLC, a California limited liability company ("Seller"), for \$11,030,000 together with a Construction Management Agreement attached as Exhibit E to the Purchase Agreement for the completion of certain improvements and the repair of deficiencies on the Property (the "Project") by Seller for an amount not to exceed \$8,140,000 that includes a construction management fee, an amount not to exceed \$800,000 for the City contingency, and an amount not to exceed \$30,000 for closing costs for a total anticipated not to exceed project cost of \$20,000,000; 3) authorizing the Director of Property to make certain modifications to the Purchase Agreement and take certain actions in furtherance of the Purchase Agreement, as defined herein; 4) exempting the Project from contracting requirements in Administrative Code, Chapter 6 and Chapter 14B; 5) approving the Seller and its architect, consultants, general contractor, subcontractors, employees and affiliates without competitive bidding, but requiring the payment of prevailing wages, implementation of a local business enterprise utilization program, and compliance with the City's local hire policy and first source hiring Ordinance; and 6) placing the Property under the jurisdiction of the Real Estate Division; affirming the Planning Department's determination under the California Environmental Quality Act; and adopting the Planning Department's finding that the Purchase Agreement, and the transactions contemplated therein, are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

Administrative Code Chapter 6 and Chapter 14B establish the policies, procedures, and required contract terms that apply under City law to public works, real property and services contracts, including construction contracts and contracts for related design and engineering services. If the Board of Supervisors adopts this proposed uncoded ordinance, the completion of the deferred maintenance and seismic maintenance, and the modifications required by the Department of Public Health's programming in the building located on the Property, pursuant to the Purchase Agreement and Construction Management Agreement, would be exempt from these provisions.

Amendments to Current Law

There are no amendments to current law.

Background Information

The Real Estate Division (“RED”), along with the Department of Public Health (“DPH”) have searched for a suitable site for the location and operation of an assisted living facility to preserve the services in the City and expand the number of assisted living beds in the City that are accessible to clients of the City’s public health system. RED and DPH conducted a search of assisted living facilities in the City and determined that the property located at 601-617 Laguna Street (Assessor’s Block 0806, Lot 002) (the “Property”) is well-suited to DPH’s goal of expanding and preserving its portfolio of residential care and treatment beds. This expansion is a major element of Mental Health SF, the City’s strategic framework for improving the behavioral health system for the City’s most vulnerable residents. The Property will serve low-income senior and adult residents who require support with daily tasks.

The Property consists of an approximately 6,146 square foot parcel of land with a two-story, approximately 10,300 rentable square foot building that is licensed for 47 beds and is currently vacant.

The total project costs are anticipated not to exceed \$20,000,000 comprised of 1) the acquisition price for the Property of \$11,030,000; 2) deferred maintenance and modifications required for the planned DPH programming (the “Project”) that are estimated to total a not to exceed amount of \$8,140,000, which includes an amount not to exceed \$260,000 paid to Seller to manage the Project; 3) an \$800,000 City contingency for the Project; and 3) anticipated closing costs in an amount not to exceed \$30,000.

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Item 11 File 25-0704	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed ordinance would approve a purchase and sale agreement with Pacifica SFO LLC for an assisted living facility at 601-617 Laguna Street for a purchase price of \$11,030,000, improvements and repair at a cost of \$8,140,000, a City contingency of \$800,000, and closing costs of \$30,000, for a total cost not to exceed \$20,000,000. Key Points - DPH is seeking to expand assisted living facilities serving low-income seniors and adults with disabilities in San Francisco. In 2023, DPH and the Real Estate Division (RED) searched assisted living facilities in San Francisco and identified the buildings at 601-617 and 624 Laguna Street as suitable locations because of the building conditions and ability to meet DPH's needs. The Board of Supervisors approved the purchase of 624 Laguna in 2024. 601-617 Laguna Street is a 13,405-square foot building with 22 dormitory-style units that is licensed for up to 47 beds, as well as common areas and a vacant retail space. DPH estimates that the building will hold approximately 40 assisted living beds. - In 2023, Department of Public Works (DPW) staff completed a general condition assessment and found that the building was generally in fair condition. The seller has agreed to complete seismic work identified by DPW at their sole cost. The City will pay for approximately \$8.1 million to complete other improvements and repairs. An appraisal found that the purchase price of \$11,030,000 was at or below fair market value of the building in as-is condition, plus the cost of the seismic upgrades. Fiscal Impact - The property has a purchase price of \$11,030,000. The City would also pay up to \$8,140,000 for improvements and repairs (excluding seismic work), up to \$800,000 in a City contingency for the project (if needed), and up to \$30,000 in closing costs, for a total City cost not to exceed \$20,000,000. At this time, DPH estimates an operating cost of \$250 per client per day, or \$91,250 per client per year. Assuming a capacity of 40 clients, DPH estimates that the annual operating costs would be approximately \$3.7 million. Acquisition, rehabilitation, and operating costs would be paid by Proposition C funds. 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

Less intensive than skilled nursing facilities, assisted living facilities are non-medical facilities licensed by the California Department of Social Services that provide personal care and safe housing for those who may need help with medication and assistance with activities of daily living. The Department of Public Health (DPH) is seeking to expand assisted living facilities serving low-income seniors and adults with disabilities in San Francisco.

In 2023, DPH and the Real Estate Division (RED) searched assisted living facilities in San Francisco and identified the buildings at 601-617 and 624 Laguna Street, which were jointly operated as The Village at Hayes Valley, as suitable locations because of the building conditions and ability to meet DPH's needs. In June 2024, the Board of Supervisors approved the purchase of the building at 624 Laguna Street, a 17,700-square foot building with 28 dormitory-style units licensed for up to 56 beds, for a total amount (including closing costs) of \$13,800,000 (File 24-0477).

601-617 Laguna Street is a 13,405-square foot building with 22 dormitory-style units that is licensed for up to 47 beds. The building is currently vacant and had been used as a memory care facility for seniors and includes shared restrooms, common lounge areas, a theater, a beauty salon, a library, dining areas, rooftop patios, and a vacant ground floor retail space that had been used as a restaurant. RED has negotiated a purchase and sale agreement with the property owner. According to Jeff Suess, RED Transaction Team Manager, the purchase was delayed to allow DPH to conduct more outreach with the neighborhood.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would take the following actions:

1. Approve and authorize the Director of Property to acquire real property at 601-617 Laguna Street;
2. Approve and authorize an Agreement of Purchase and Sale for Real Estate for acquisition of the property from Pacifica SFO LLC for \$11,030,000, as well as a Construction Management Agreement for the completion of improvements and repairs in the amount of \$8,140,000, a City contingency of \$800,000, and closing costs in an amount not to exceed \$30,000, for a total City cost not to exceed \$20,000,000;
3. Authorize the Director of Property to make certain modifications and take certain actions in furtherance of the Purchase Agreement;
4. Exempt the project from contracting requirements in Administrative Code Chapters 6 and 14B;

5. Approve the seller and its architect, consultants, general contractor, subcontractors, employees, and affiliates without competitive bidding, but require the payment of prevailing wages, implementation of a Local Business Enterprise utilization program and compliance with the City's local hire policy and first source hiring ordinance; and
6. Place the property under the jurisdiction of RED, affirm the Planning Department's determination under the California Environmental Quality Act (CEQA), and adopt the Planning Department's findings of consistency with the General Plan and Planning Code.

Building Condition and Appraisal

In 2023, Department of Public Works (DPW) staff completed a general condition assessment based on a visual inspection of the building, a review of Department of Building Inspection (DBI) records, and interviews with individuals about the facility. Based on the assessment, DPW determined that the building was generally in fair condition. Notably, although the building was seismically retrofitted in 1997, DPW found that there were seismic deficiencies that would lead the building to perform poorly in a major seismic event. Pacifica, the seller, agreed to complete the seismic work identified by DPW at their sole cost.

An appraisal conducted by Colliers International in June 2025 found that the purchase price of \$11,030,000 was at or below fair market value of the building in as-is condition, plus the cost of the seismic upgrades. An appraisal review is required by the Administrative Code but was not available for our review. According to the RED staff, the appraisal review found that the proposed purchase price is at or below market rate.

In addition to the seismic work, DPW identified several other improvements and deferred maintenance for the building, including:

- converting the former restaurant space into a group activity room and staff break room,
- converting the former restaurant kitchen into a kitchen to support the program,
- converting the former hair salon into an office and pantry,
- converting a former pantry and restroom into laundry facilities,
- converting a former residential unit into a medical/nurse station,
- accessibility upgrades,
- elevator modernization,
- roof replacement,
- mechanical equipment replacement, and
- replacing exterior material of the building.

The estimated cost to complete these improvements and repairs is approximately \$8.1 million, including soft costs and contingencies. Construction is expected to be completed by approximately July 2026. The City is paying for the repairs listed above and the seller is paying for the seismic work.

Construction

Since Pacifica had already selected a contractor to complete the seismic work, DPW and RED staff determined that it be more efficient to have the existing contractor complete the additional work as well. The City Attorney's Office has advised RED that using Pacifica's contractor would require waivers of Administrative Code Chapters 6 (public works contracting) and 14B (local business enterprise), including competitive bidding requirements. However, the Construction Management Agreement, which is part of the Purchase and Sale Agreement, includes requirements for the payment of prevailing wages, implementation of a Local Business Enterprise (LBE) subcontractor utilization program, and local hire and first source hiring under Administrative Code Chapter 83. The Construction Management Agreement requires the City to approve, in writing, all construction contracts.

Future DPH Operations

According to a General Plan Referral with the Planning Department in 2023, DPH had envisioned that the building would house a dual diagnosis care facility and transitional housing for at-risk youths. However, DPH now intends for it to be an assisted living facility serving low-income residents who are clients of the public health system and need assistance with daily tasks. DPH estimates that the facility will hold approximately 40 beds. An analysis by the Controller's City Services Auditor from January 2025 titled, "Expanding Behavioral Health Placements for a Complex Population," found that the City needed 55-95 locked subacute beds. The 601 and 624 Laguna sites together provide approximately 97 assisted living beds, which could potentially free up space at San Francisco General Hospital to allow DPH to expand locked subacute bed capacity.

DPH has not determined whether the building will be operated jointly with 624 Laguna or if a new operator will be selected. While DPH may issue a solicitation to select a new provider for the site, DPH may also utilize Administrative Code Chapter 21A.4, which authorizes DPH to procure behavioral health and public health residential treatment services without competitive solicitations through March 2029 (File 24-0015).

The proposed contract allows the City to retain equipment no longer needed by the seller. According to RED, DPH is still inspecting the equipment to identify which items will be used for the City program and the seller will remove any unneeded items.

FISCAL IMPACT

The property has a purchase price of \$11,030,000. The City would also pay up to \$8,140,000 for improvements and repairs (excluding seismic work), up to \$800,000 in a City contingency for the project (if needed), and up to \$30,000 in closing costs, for a total City cost not to exceed \$20,000,000. The cost breakdown for acquisition and construction is shown in Exhibit 1 below.

Exhibit 1: City Costs for Acquisition and Construction

Item	Amount
Acquisition	\$11,030,000
Construction (Includes 20% Contingency)	5,978,000
Construction Soft Costs (Includes 31% Contingency)	2,162,000
Project Reserve	800,000
Closing Costs	30,000
Total Not-to-Exceed	\$20,000,000

Source: Proposed Purchase and Sale Agreement

The project reserve of \$800,000 is in addition to a construction contingency of \$996,000 and a soft cost contingency of \$515,000. According to Transaction Team Manager Suess, the project reserve is needed because designs and cost estimates are still being refined.

The acquisition and construction are funded by Proposition C funds, a gross receipts tax to fund homeless services and housing.

Comparison to Other Recent DPH Behavioral Health Sites

Assuming a total of 40 beds and an acquisition and construction budget of \$20,000,000, the estimated cost per bed is approximately \$487,804 per bed (although the cost would be less if the project reserve and contingencies are not needed). This is more than the estimated per-bed cost of the City's acquisition of 624 Laguna Street (\$255,357, File 24-0477), which did not require significant rehabilitation work, but less than the City per-bed costs to acquire 822 Geary Street (\$886,345, File 21-1204) and 333 7th Street (\$623,125, File 24-0192), which both required extensive rehabilitation work. Exhibit 2 below summarizes the acquisition and renovation costs per bed and per square foot.

Exhibit 2: Comparison to Other Recent DPH Behavioral Health Sites

Property	Acquisition	Rehab	Total Cost	Per Bed	Per Square Foot
601 Laguna (2025)	\$11,060,000	\$8,940,000	\$20,000,000	\$500,000	\$1,492
333 7th Street (2024)	\$3,000,000	\$6,970,000	\$9,970,000	\$623,125	\$1,312
624 Laguna (2024)	\$13,800,000	\$500,000	\$14,300,000	\$255,357	\$808
822 Geary (2021)	\$3,114,496	\$11,067,025	\$14,181,521	\$886,345	\$2,214

Source: BLA, DPH

Operating Costs

At this time, DPH estimates an operating cost of \$250 per client per day, or \$91,250 per client per year. Assuming a capacity of 40 clients, DPH estimates that the annual operating costs would be approximately \$3.7 million. Operating costs would be paid by Proposition C funds and are currently budgeted for this purpose.

RECOMMENDATION

Approve the proposed resolution.

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

PACIFICA SFO LLC,
a California limited liability company
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

601-617 Laguna Street
San Francisco, California (Block, Lot 0806/002)

June 17 2025

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(601-617 Laguna Street, San Francisco, CA)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this “**Agreement**”) dated for reference purposes only as of June 17 2025, is made and entered into by and between PACIFICA SFO LLC, a California limited liability company (“**Seller**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**Buyer**” or “**City**”), and with reference to the following facts, understandings and intentions of Buyer and Seller:

RECITALS

A. Seller owns that certain real property consisting of an approximately 6,146 square foot parcel of land, located in the City and County of San Francisco and currently designated as Assessor’s Block, Lot 0806/002 (the “**Land**”), as more particularly described in the legal description attached hereto as **Exhibit A**, together with the improvements thereon, generally consisting of that certain 2-story assisted living facility containing approximately Ten Thousand Three Hundred (10,300) square feet of net rentable area and commonly known as 601-617 Laguna Street (the “**Building**”);

B. Seller is experienced and knowledgeable in the oversight and management of construction, renovation and rehabilitation of properties similar in type to the Building;

C. Buyer intends to acquire the Property (as defined below) and for Seller to (i) oversee the completion of the Property’s Renovations (as defined below) and (ii) address the Property’s Deficiencies. Buyer shall be solely responsible for the cost and expense of completing the Renovations, and Seller shall be solely responsible for the cost and expense of addressing the Deficiencies, all in accordance with the plans, specifications and designs approved by City, with all such work and installations related to completing the Property’s Renovations and addressing the Property’s Deficiencies (hereinafter collectively referred to as the “**Construction Project**”) to be completed by Seller in accordance with, and as described in, the attached CMA (as defined below), in order to deliver the Property to Buyer in turn-key condition upon the Final Closing (as defined below).

D. Seller and Buyer now desire to enter into this Agreement providing for Seller to sell and Buyer to purchase the Property, and to set forth the understandings with regard to Seller’s renovation and reparations of the Property, all upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated into this Agreement by this reference, the mutual covenants and agreements of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound hereby, Seller and Buyer 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 Land;

(b) all improvements and fixtures located on the Land, including, without limitation, (i) the Building and (ii) 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 (collectively, the “**Structures and Equipment**”, and together with the Building, the “**Improvements**”);

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

(d) all personal property owned by Seller located on or in or used in connection with the Land or Improvements as of the date of this Agreement and as of the Final Closing Date (as defined in Section 6.2) including, without limitation, those items described in **Exhibit B** attached hereto (the “**Personal Property**”); and

(e) any intangible personal property now or hereafter owned by Seller and used in the ownership, use or operation of the Land, Improvements or Personal Property (collectively, the “**Intangible Property**”).

All of the items referred to in Subsections (a), (b), (c), (d) and (e) above are collectively referred to herein as the “**Property**.”

2. TOTAL PURCHASE PRICE

2.1 Total Purchase Price

The total purchase price shall be an amount not to exceed Twenty Million Six Hundred Thirty Thousand Dollars (\$20,000,000)¹ (the “**Total Purchase Price**”), which is the sum of the Purchase Price, the Constructions Costs, the Construction Management Fee, the City Contingency, and the Closing Costs, each as defined in Subsections (a)-(e) below.

¹ Total Purchase Price and figures in Subsections (a)-(e) to be finalized after completion of Appraisal and bids.

(a) The “**Purchase Price**” is the purchase price for the Property in the amount of Eleven Million Thirty Thousand Dollars (**\$11,030,000**).

(b) The “**Construction Costs**” is the cost for Seller to complete the Construction Project as described in the Construction Management Agreement dated as of even date herewith and attached hereto as **Exhibit E** (the “**CMA**”). Capitalized terms not defined in this Agreement are defined in the CMA. The Construction Costs include the Construction Management Fee described in (c) below, and are estimated to be the not to exceed amount of Eight Million One Hundred Forty Thousand Dollars (**\$8,140,000**).

(c) The “**Construction Management Fee**” is the cost for Seller’s developer oversight fee, which shall be three percent (3%) of the Constructions Costs. The Construction Management Fee is estimated to be a not to exceed amount of Two Hundred Sixty Thousand Dollars (**\$260,000**).

(d) The “**City Contingency**” is the amount set aside by City based on the anticipated Constructions Costs. The City Contingency is estimated to be a not to exceed amount of Eight Hundred Thousand Dollars (**\$800,000**).

(e) The “**Closing Costs**” is the cost for all escrow and closing fees, including transfer taxes, if any, and title insurance premiums as calculated by Stewart Title Guaranty Company (the “**Title Company**”) in its capacity as escrow agent (the “**Escrow Agent**”), in the not to exceed amount of Thirty Thousand Dollars (**\$30,000**).

Upon the Initial Closing (as defined in Section 6.2), each of the Purchase Price, the Constructions Costs, the Construction Management Fee, the City Contingency, and the Closing Costs shall be deposited by Escrow Agent into separate interest-bearing escrow accounts, and all interest earned thereon shall be deemed part of the corresponding account.

2.2 Payments

Payments will be made into, held by and disbursed through escrow upon the terms and other conditions of this Agreement, including, as applicable, other instructions set forth or referenced by Article 6 below.

2.3 Independent Consideration

Within five (5) business days of the Effective Date (as defined in Section 11.17), City shall deposit with the Escrow Agent, the sum of One Hundred Dollars (\$100) (the “**Independent Consideration**”). Buyer and Seller have bargained for and agree that the Independent Consideration is consideration for Buyer’s rights under this Agreement and for Seller providing the Due Diligence Period (as defined in Section 4.1) to Buyer. Upon receipt, the Escrow Agent shall immediately release the Independent Consideration to Seller, and notwithstanding any provision in this Agreement to the contrary, the Independent Consideration shall be nonrefundable to Buyer in all circumstances.

2.4 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid by the warrant of the Controller of the City and County of San Francisco (the “**City Controller**”) or in cash or by wire transfer of immediately available funds to the Escrow Agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Final Closing, Seller shall convey to City marketable and insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as **Exhibit C** (the “**Deed**”).

3.2 Title Insurance

Delivery of title in accordance with the preceding Subsection shall be evidenced by the commitment of 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 a form acceptable to City in its sole discretion, in the amount of the Total 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, and all other exceptions, liens and encumbrances. 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 including but not limited to the Construction Project, 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.

3.3 Bill of Sale

At the Final Closing, Seller shall transfer title to the Personal Property by bill of sale in the form attached hereto as **Exhibit D** (the “**Bill of Sale**”), such title to be free of any liens, encumbrances or interests. To the extent possible, any maintenance contract or warranty in connection with the purchase of the Personal Property will be optional (namely, City may, but is not required to, purchase any maintenance contract or warranty), and included in the Assignment of Intangible Property (defined below).

3.4 Assignment of Intangibles

At the Final Closing, Seller shall transfer title to the Intangible Property by such instruments as City may reasonably determine necessary, including, without limitation, an Assignment of Intangible Property in the form described in Section 16.3 of the CMA (the “**Assignment of Intangible Property**”).

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 Due Diligence and Time for Satisfaction of Conditions

City was given 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 April 30, 2025 (the "**Due Diligence Period**"). In accordance with that certain letter of intent by and between City and Seller, dated May 23, 2022 (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 Initial 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, the "**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, the "**Other Information**").

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, the "**Preliminary Report**"). Seller represents and warrants that it 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 Final Closing arrange for an "as built" survey of the Property prepared by a licensed surveyor (the "**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.

4.2 Energy Consumption

City acknowledges and agrees that Seller delivered the Disclosure Summary Sheet, Statement of Energy Performance, Data Checklist, and Facility Summary (all as defined in the California Code of Regulations, Title 20, Division 2, Chapter 4, Article 9, Section 1680) for the Property, copies of which are attached as **Schedule 1** to this Agreement, no less than 24 hours prior to City's execution of this Agreement.

5. ENTRY

At all times prior to the Final Closing Date Seller shall afford City and its Agents (as 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 Initial Closing Conditions Precedent (as defined below) and the Final Closing 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 Final Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about the Property, including the Improvements. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. This indemnity shall survive the termination of this Agreement or the Final 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 Final Closing Date, as applicable, if the claim involves damage to the Property or any other claim not brought by a third party against Seller.

5.1 City's Conditions to Initial Closing

The following are conditions precedent to City's obligation to deposit the Total Purchase Price into Escrow at the Initial Closing (collectively, "**Initial Closing 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 Initial Closing Date. At the Initial 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 Initial 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 Initial Closing.

(c) 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.

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

(e) City shall have obtained an appraisal, and an appraisal review, supporting a fair market value of the Property no less than the Purchase Price in accordance with the requirements of San Francisco Administrative Code Chapter 23.

(f) Seller shall have delivered the Seller Initial Closing Deliverables described in Section 6.3 below on or before the Initial Closing.

(g) City shall have delivered the items described in Section 6.4 below on or before the Initial Closing.

The Initial Closing Conditions Precedent contained in the foregoing Subsections (a) through (f) are solely for the benefit of City; provided, however, that City's covenant set forth in Subsection (g) is also for the benefit of Seller. If any Initial Closing Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Initial Closing Condition Precedent in question and proceed with the deposit of the Total Purchase Price into escrow or, in the alternative, terminate this Agreement, provided that the Initial Closing Conditions Precedent described in Subsections (c) through (e) above may not be waived. The waiver of any Initial Closing Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. The Initial Closing Date may be extended, at City's option, for a reasonable period of time specified by City, to allow such Initial Closing Conditions Precedent to be satisfied, subject to City's further rights and remedies under this Agreement upon the expiration of the period of any such extension if all such Initial Closing Conditions Precedent have not been satisfied.

5.2 City's Conditions to Final Closing

The following are conditions precedent to City's obligation to purchase the Property at the Final Closing (collectively, "**Final Closing 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 Final Closing Date. At the Final 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 Final Closing Date.

(b) There shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Final 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.

(c) The conditions of title shall not have changed since the Initial Closing Date, and there shall be no outstanding mechanics liens or stop notices related to the Construction Project, and Seller shall have furnished to Buyer full waivers or releases of lien claims if required by Buyer.

(d) Seller shall have met its obligations under the CMA and completed the Construction Project to City's satisfaction, in its sole and absolute discretion, per the specification in the approved Construction Documents, including but not limited to passage of all required inspections by the City's Department of Building Inspection, the issuance of a Temporary Certificate of Occupancy and the final resolution of Disputed Work, if any.

(e) City's review and approval, prior to the Final Closing, of a schedule (the "**Schedule of Agreements**") setting forth a list of all of the contracts or agreements that shall be assigned to, and assumed by, City at the Final Closing (the "**Assumed Contracts**"), together with true and accurate copies of all such documents. At or before the Final Closing, Seller shall terminate any contracts or agreements not to be assumed by City, without liability to City.

(f) The physical condition of the Property shall be substantially the same on the Final Closing Date as on the date of City's execution of this Agreement, with the Construction Project to be performed by Seller prior to the Final Closing (as described in the CMA), reasonable wear and tear, and loss by casualty (subject to the provisions of Section 9.1) excepted.

(g) Seller shall have completed the repair of the Deficiencies (as described in the CMA) and City shall have accepted the work.

(h) The Title Company shall be committed at the Final Closing to issue to City (i) the Title Policy as provided in Section 3.2, and (ii) the following endorsements: ALTA 9.2 (comprehensive); ALTA 8.2 (environmental); ALTA 17 (access and entry); ALTA 18 (tax parcel); ALTA 22 (location); ALTA 26 (subdivision); ALTA 28 (easements); ALTA 28.1 (encroachments); Deletion of Arbitration.

(i) 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, on or before substantial completion of the Construction Project.

(j) The Title Company shall have agreed to be the real estate reporting person for the Final Closing in compliance with the Reporting Requirements (as defined in Section 6.13 below).

(k) The conditions under the CMA shall have been met and Seller shall have met all of its obligations under the CMA, and a notice of completion (the "**Notice of**

Completion”) shall have been recorded in the Official Records of the City and County of San Francisco’s Office of the Assessor-Recorder (the “**Official Records**”).

(l) Seller shall have delivered the items described in Section 6.7 below on or before the Final Closing.

(m) City shall have delivered the items described in Section 6.8 below on or before the Final Closing.

The Final Closing Conditions Precedent contained in the foregoing Subsections (a) through (k) are solely for the benefit of City; provided, however, that City’s covenant set forth in Subsection (l) is also for the benefit of Seller. If any Final Closing Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Final Closing Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the Final Closing Condition Precedent described in Subsection (h) above may not be waived. The waiver of any Final Closing Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. The Final Closing Date may be extended, at City’s option, for a reasonable period of time specified by City, to allow such Final Closing Conditions Precedent to be satisfied, subject to City’s further rights and remedies under this Agreement upon the expiration of the period of any such extension if all such Final Closing 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 Final Closing 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 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, and neither party shall have any further rights or obligations hereunder.

5.3 Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Initial Closing Condition Precedent or Final Closing Condition 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 Initial Closing Condition Precedent or Final Closing Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

6. ESCROW; CLOSINGS AND PAYMENTS

6.1 Opening of Escrow

(a) Within five (5) business days of the Effective Date, the parties shall open escrow by depositing an executed counterpart of this Agreement with the Escrow Agent, and this Agreement shall serve as instructions to the Escrow Agent 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 Agent 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.

(b) Escrow Cancellation Charges. If the escrow fails to close because of Seller's default, Seller will be liable for any and all customary escrow cancellation charges. If the escrow fails to close because of Buyer's default, Buyer will be liable for any and all such cancellation charges. If the Escrow fails to close for any other reason, any and all such cancellation charges will be split equally between Buyer and Seller.

(c) Additional Escrow Provisions

(i) The Escrow Agent is employed hereunder in a ministerial capacity only, and shall act in accordance with this Agreement or only upon the joint written instructions of the Buyer and Seller, and shall not be liable to any party for any loss or damage resulting therefrom, except for loss or damage resulting from the bad faith or willful misconduct of the Escrow Agent.

(ii) If there is any dispute among the parties in interest as to whether the Escrow Agent shall disburse any funds, documents, or instruments held hereunder, the Escrow Agent may (a) hold such items until receipt of an authorization in writing signed by all persons having an interest in said dispute, (b) rely on the advice of counsel, or (c) tender such items into court in connection with a proceeding to determine the rights and obligations of such persons.

(iii) The said parties in interest shall jointly and severally indemnify and hold the Escrow Agent harmless from and against any and all claims, liability, loss, cost and expense (including reasonable attorneys' fees and court costs) arising from the performance of the Escrow Agent hereunder, except for any such claim, action, or proceeding resulting in a final determination that the Escrow Agent breached its obligations through bad faith or willful misconduct.

6.2 Initial Closing Date and Final Closing Date

The consummation of the purchase and sale contemplated hereby will occur in two phases. At the end of the first phase (the "**Initial Closing**"), City shall deposit the Total Purchase Price into escrow and at the end of the second phase (the "**Final Closing**"), title of the Property shall be transferred from Seller to Buyer. Escrow shall be held and delivery of all items to be

made at either the Initial Closing or the Final Closing, as applicable, under the terms of this Agreement shall be made at the offices of the Escrow Agent located at 100 Pine Street, Suite 450, San Francisco, California 94111, on such dates as City and Seller may mutually agree (the “**Initial Closing Date**” and the “**Final Closing Date**,” respectively), subject to the provisions of Article 5. The Initial Closing Date and the Final 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 that either the Initial Closing does not occur on or before the Initial Closing Date, or the Final Closing does not occur on or before the Final Closing Date, Escrow Agent shall, unless it is notified by both parties to the contrary, within five (5) days after the Initial Closing Date or the Final Closing Date, as applicable, return to the depositor thereof items which may have been deposited thereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

6.3 Seller’s Delivery of Documents Prior to the Initial Closing

At or before the Initial Closing, Seller shall deliver to the Escrow Agent the following (collectively, the “**Seller Initial Closing Deliverables**”):

- (a) a duly executed and acknowledged Deed in recordable form;
- (b) a duly executed Bill of Sale;
- (c) four (4) duly executed counterparts of the Assignment of Intangible Property;
- (d) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as **Exhibit F**, 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 United States Internal Revenue Code of 1986, as amended (the “**Federal Tax Code**”);
- (e) 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 California Revenue and Taxation Code (the “**State Tax Code**”);
- (f) 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;
- (g) the executed CMA and other construction contracts for the Construction Project that have been approved by Buyer; and

(h) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 5.1(a) hereof.

6.4 City's Delivery of Documents and Funds Prior to Initial Closing

At or before the Initial Closing, City shall deliver to the Escrow Agent the following:

- (a) an acceptance of the Deed executed by City's Director of Property;
- (b) a preliminary change in ownership report and transfer tax affidavit;
- (c) four (4) duly executed counterparts of the Assignment of Intangible Property; and
- (d) the Total Purchase Price, as provided in Article 2 hereof.

6.5 Initial Closing

(a) **City to Fully Fund Escrow:** At least two (2) business days prior to the Initial Closing Date, City shall deposit with the Escrow Agent by wire transfer or other immediately available federal funds, the Total Purchase Price.

(b) **Initial Payment of Purchase Price:** On the Initial Closing Date, a portion of the Purchase Price in the amount of Ten Million Dollars (\$10,000,000) (the "**Initial Payment**") shall, subject to Seller's default hereunder or Seller's failure to satisfy any of the Initial Closing Conditions Precedent set forth in Section 5.1 hereof, be released to Seller. The Initial Payment shall be credited towards the Purchase Price.

(c) Seller acknowledges and agrees that if Seller fails at the Initial Closing to deliver to City the documents required under Sections 6.3(d) and 6.3(e), City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the Federal Tax Code, or Section 18662 of the State Tax Code. Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

6.6 Installment Release of Constructions Costs

Seller shall use the Constructions Costs portion of the Total Purchase Price to fund the Construction Project under the CMA, which amounts shall be released by the Escrow Agent to Seller in installments as progress payments in accordance with this Agreement and the CMA. For the avoidance of doubt, payment of the Construction Management Fee shall be released to Seller following the calculation of the final Construction Costs at the Final Closing.

Within ten (10) days of the Initial Closing, City shall deliver to Seller and the Escrow Agent a written Notice to Proceed ("**NTP**"). After receipt of the City's NTP, Seller shall issue its own NTP to its general contractor in order to start the Construction Project, and Seller may commence submitting Payment Applications with required supporting documentation (in

accordance with Section 3.4 of the CMA) to the Escrow Agent for predevelopment and construction costs incurred related to the Construction Project. Upon review and approval by City of a Payment Application, City shall authorize the Escrow Agent to release funds sufficient to pay the approved Payment Application without retention, except for any Disputed Work pursuant to the CMA, as communicated by City to the Escrow Agent. Disputed Work shall not be paid by the Escrow Agent to Seller until City has confirmed with the Escrow Agent that Seller and City have reached an agreement with respect to the Disputed Work in accordance with the dispute resolution process set forth in the CMA. Payment Applications may be submitted no more frequently than once per month.

6.7 Seller's Delivery of Documents Prior to Final Closing

At or before the Final Closing, Seller shall deliver to the Escrow Agent the following:

- (a) a Certificate from the Secretary of State or other appropriate government official of the State of California indicating that, as of the Final Closing Date, there are no filings against Seller in the office of the Secretary of State or other government official under the Uniform Commercial Code of such State which would be a lien on any of the items specified in the Bill of Sale (other than such filings, if any, as are being released at the time of the Final Closing);
- (b) originals of the Documents, Assumed Contracts, any contractor or subcontractor warranties and guaranties provided in connection with the Construction Project, and any other items relating to the ownership or operation of the Property not previously delivered to City;
- (c) an executed closing statement in form and content satisfactory to City and Seller;
- (d) a copy of the Notice of Completion bearing a stamp from the San Francisco County Recorder showing the recording number, date and time of recordation of the Notice of Completion in the Official Records;
- (e) Owner's affidavit, completed by Seller, and any other agreement, document or instrument reasonably requested by the Title Company to issue the Title Policy to City;
- (f) such other instrument and funds as are reasonably required by City or are otherwise required to close the escrow and consummate the purchase of the Property pursuant to this Agreement; and
- (g) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 5.2(a) hereof.

6.8 City's Delivery of Documents Prior to Final Closing

At or before the Final Closing, City shall deliver to the Escrow Agent the following:

(a) an executed closing statement in form and content satisfactory to City and Seller; and

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

6.9 Final Closing

The consummation of the Final Closing shall be held within ten (10) days after City's acceptance of Final Completion, or on such earlier date as City and Seller may mutually agree, at the offices of the Escrow Agent (or such other location as may be mutually agreed upon by City and Seller), subject to Seller's default hereunder or Seller's failure to satisfy any of the Final Closing Conditions Precedent set forth in Section 5.2 hereof. The Final Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. Upon satisfaction or completion of all closing conditions and deliveries, the parties shall direct the Escrow Agent to immediately record and deliver the closing documents to the appropriate parties and make disbursements according to the closing statement executed by Seller and City, as follows:

(a) **Recordation of Deed:** Seller shall instruct the Title Company to record the Deed in order to convey to City marketable and insurable fee simple title to the Property.

(b) **Recordation of Release Memorandum:** City shall instruct the Title Company to record the Release Memorandum.

(c) **Final Payment of Purchase Price:** City shall instruct Escrow Agent to disburse to Seller the balance of the Purchase Price (Purchase Price less the Initial Payment).

(d) **Final Payment of Constructions Costs:** City shall instruct the Escrow Agent to disburse to Seller an amount equal to any remaining approved Payment Applications.

(e) **Payment of Construction Management Fee:** City shall instruct the Escrow Agent to disburse to Seller an amount equal to 3% of the total of all approved and paid Payment Applications, which amount shall not be for an amount greater than the Construction Management Fee.

(f) **Payment of Closing Costs:** City shall instruct the Escrow Agent to credit Seller for agreed upon closing costs to the extent such payments were not previously made at the Initial Closing, and which total amount shall not be greater than the Closing Costs.

(g) **Remaining Escrow Funds Returned to City:** Any remaining funds held by the Escrow Agent following the disbursements and credits described in (c)-(f) above, as well as all or any remaining portion of the City Contingency, shall be disbursed by the Escrow Agent to City.

6.10 City Controller's Certification of Funds

The terms of this Agreement are governed by and subject to the budgetary and fiscal provisions of the City's Charter. Notwithstanding anything to the contrary contained in this Agreement, there will be no obligation for the payment or expenditure of money by City under this Agreement unless prior to the Initial Closing, the Controller of the City and County of San Francisco first certifies, under Section 3.105 of the City's Charter, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which this Agreement is executed, sufficient funds for the payment of the Total Purchase Price are not appropriated, then City may terminate this Agreement, without penalty, liability, or expense of any kind to City. City will use its reasonable efforts to give Seller reasonable advance notice of the termination.

6.11 Reimbursement of Seller Costs

If, prior to the execution of this Agreement, Seller has paid for the production of completed preliminary plans and specifications and/or the production of a property condition assessment report as requested by City, such costs shall be included in the Construction Costs and included in the first Payment Application to be approved by City, as more particularly described in the CMA.

6.12 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Escrow Agent or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof. On or before the Final Closing Date, City shall deliver to the Title Company a statement for delivery to the City and County of San Francisco Office of the Assessor-Recorder (the "**County Tax Assessor**") in the form attached as **Exhibit H** (the "**Apportionment Notice**"). Upon Final Closing, the Title Company will insert the Final 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.

6.13 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 Final Closing. Seller and City agree that if the Final 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 Initial Closing and the Final 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 Initial Closing and the Final Closing.

7. EXPENSES AND TAXES

7.1 Apportionments

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

(a) Utility Charges

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

7.2 Closing Costs

City shall pay (i) the cost of the premium for the Title Policy and the cost of the endorsements thereto, (ii) escrow and recording fees, and (iii) 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 Final Closing, Seller will pay its portion of general real estate taxes payable for the tax year in which the Final 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 Final Closing Date. At or before the Final 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 Final Closing Date. Seller will pay all hotel or other taxes applicable to the period prior the Final Closing Date. General real estate taxes payable for the tax year prior to the year of the Final Closing and all prior years, if not yet paid, shall be paid by Seller at or before the Final Closing. General real estate taxes payable for the tax year of the Final Closing shall be prorated through escrow by Seller and City as of the Final Closing Date. At or before the Final 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 Final Closing Date.

7.4 Preliminary Final Closing Adjustment

Seller and City shall jointly prepare a preliminary Final Closing adjustment on the basis of the balance of the Purchase Price, incurred but not yet paid Construction Costs and other expenses, and shall deliver such computation to the Title Company prior to the Final Closing.

7.5 Sales and Use Taxes for Transferred Taxable Personal Property

Seller will promptly remit to the State of California the entire amount of any sales and use taxes triggered by the transfer of taxable personal property included in the sale of the Property, in accordance with California law. Upon such payment of sales and use taxes, Seller will promptly provide City with confirmation of such payment to the State of California. Seller, on behalf of itself and its successors and assigns, will 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' fees) relating to the sales and use taxes arising out of the transfer of taxable personal property included in the sale of the Property. The foregoing indemnity includes, without limitation, any applicable sales and use taxes that Seller fails to remit to the State of California. The indemnification provisions of this Section will survive beyond the Final Closing.

7.6 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Final Closing Date, then they shall be calculated as soon after the Final 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 Final 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.

7.7 Survival

The provisions of this Article 7 shall survive the Final 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

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

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

(b) To the best of Seller's knowledge, there are no material physical or mechanical defects of the Property, and no violations of any laws, rules or regulations applicable to the Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(c) The Assumed Contracts, Documents and Other Information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Property, and are true, correct and complete copies of such documents, and the Assumed Contracts are in full force and effect, without default by (or notice of default to) any party.

(d) 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 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.

(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 installed to the property lines of the Property and are adequate to service the Property.

(i) 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. 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, after due and diligent inquiry, 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) 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 are, or will be, duly authorized, executed and delivered by Seller, are, or will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and 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 Seller is experienced and knowledgeable in the oversight and management of construction of the improvements and the renovation and rehabilitation of properties similar in type to the Building.

(n) 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 therefor 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.

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

(p) 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).

(q) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct: (i) the Property is not in violation of any Environmental Laws; (ii) 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 (as defined below), except as described in **Schedule 2** of this Agreement ("**Seller's Environmental Disclosure**"); (iii) there has been no notice of release and there is no notice of threatened release of any Hazardous Material in, on, under or about the Property; (iv) 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) the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) 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 CERCLA.

(r) There are not any leases or other occupancy agreements affecting any of the Property. At the time of the Final 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 Final Closing. There are no obligations in connection with the Property which will be binding upon City after Final Closing except for matters which are set forth in the Preliminary Report that City accepts as an exception to title, and except for the Assumed Contracts.

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

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

(u) Seller represents and warrants to City that it is fully compliant with the California Sales and Use Tax Law, and covenants to fulfill its use tax obligations under such law with respect to the transaction contemplated hereby.

As used herein “to the best of Seller’s knowledge,” “Seller’s knowledge” or “Seller has not received any written notice” shall mean the actual knowledge of Adam Bandel (who is the officer and/or representative of Seller most qualified and experienced to make such representations). 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 Final Closing, (ii) third party claims related to the ownership, operation or maintenance of the Property prior to the Final 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 Final Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

If any of the Property is damaged or destroyed prior to the Final 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 Ten Million Dollars (\$10,000,000 (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 Total Purchase Price equal to such

deductible amount, and Seller shall assign to City at Final 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 Total Purchase Price at the Final 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 Final 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 Final 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 Final Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a comprehensive builder's risk insurance, on an all-risk basis and on a one hundred percent (100%) of the completed value form including a "Permission to Complete and Occupy" endorsement for full replacement value including the costs of demolition

and debris removal. Seller shall furnish City with evidence of such insurance upon request by City.

9.3 Title and Possession

Title and possession of the Property shall be delivered to City on the Final 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 Final Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by Seller under the terms of this Agreement and the CMA, 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 Carrying costs for construction period

Seller will pay for the cost of property taxes, building insurance, utilities and all other carrying costs for the Property up until the Final Closing.

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

After the Effective Date, Seller shall not enter into any lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, or waive any rights of Seller under any Assumed Contract, without in each instance obtaining City's prior written consent thereto. Contracts with a general contractor, subcontractor (regardless of tier), architect or any other design team consultant are subject to the City's prior written consent as set forth in the CMA. City agrees that it shall not unreasonably withhold or delay any such consent. Seller shall terminate prior to the Initial Closing, at no cost or expense to City, any and all leases, subleases and/or management agreements affecting the Property that City does not agree in writing prior to the Initial 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, (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: 601-617 Laguna 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: 601-617 Laguna Street
Email: Vicente.Reyes@sfcityatty.org

Seller:

Pacifica SFO LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110
Attn: Deepak Israni
Phone: (619) 296-9000
Fax: (619) 296-9090
E-Mail: disrani@pacificacompanies.com

with a copy to:

Thomas P. Sayer, Jr., Esq.
9984 Scripps Ranch Blvd., #284
San Diego, CA 92131
Phone: (858) 335-9590
Fax: (619) 296-9090
E-Mail: tsayer1@gmail.com

Title Company:

Stewart Title Guaranty Company
100 Pine Street, Suite 450
San Francisco, CA 94111-5106

Escrow Agent:

Stewart Title Guaranty Company
Tina L. Lucero
100 Pine Street, Suite 450
San Francisco, CA 94111-5106

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 Rob Reis of Marcus and Millichap, DRE License: CA: 01775960 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 Final 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

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 Initial Closing or the Final Closing, as applicable, 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 Final Closing, or, to the extent the context requires, beyond any termination of this Agreement. 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 including, without limitation, the Memorandum (as defined in Section 11.15) between the parties hereto. 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 affect the purposes of the parties and this Agreement.

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 State Public Records Law (Gov. Code Section 6250 et seq.), 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 the San Francisco Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Seller becomes aware of any such fact during the term of this Agreement, Seller shall immediately notify 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 City's Ethics Commission the 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 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 Memorandum of Agreement

At any time on or after the Effective Date, the parties, upon City's request, shall execute and acknowledge a memorandum hereof, in the form attached hereto as **Exhibit G** (the "**Memorandum**"), which will be recorded in the Official Records.

11.16 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.

11.17 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.

11.18 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.

11.19 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.

11.20 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.

11.21 Agreement Not to Market Prior to Effective Date

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

11.22 Acceptance of Agreement by Seller

This Agreement shall be null and void unless Seller accepts it and returns to City up to one (1) fully executed counterpart as requested hereof on or before 5:00 p.m. San Francisco

Time on the Friday prior to introduction to the San Francisco Board of Supervisors of the legislation authorizing this transaction.

11.23 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:

PACIFICA SFO LLC,
a California limited liability company

By: Deepak Israni
Name: Deepak Israni 6/16/2025
Its: President and Managing Partner

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: Andrico Q. Penick
Director of Property

Date: _____

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: Vicente P. Reyes
Deputy City Attorney

SCHEDULE 1

ENERGY DISCLOSURE DOCUMENTS

The energy disclosure documents (as defined in the California Code of Regulations, Title 20, Division 2, Chapter 4, Article 9, Section 1680) are not required and/or applicable to a building that has been shut down and non-operational.

SCHEDULE 2

SELLER'S ENVIRONMENTAL DISCLOSURE

Not applicable

Exhibit A
Legal Description

EXHIBIT "A"
LEGAL DESCRIPTION

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

Beginning at the point of intersection of the Northerly line of Hayes Street and the Westerly line of Laguna Street; running thence Westerly along said line of Hayes Street 31 feet and 3 inches; thence at a right angle Northerly 72 feet; thence at a right angle Westerly 50 feet; thence at a right angle Northerly 48 feet to the Southerly line of Ivy Street; thence at a right angle Easterly along said line of Ivy Street 81 feet and 3 inches to the Westerly line of Laguna Street; thence at a right angle Southerly along said line of Laguna Street 120 feet to the point of beginning.

Being part of Western Addition Block No. 222.

APN: [Lot 002 - Block 0806](#)

EXHIBIT B

PERSONAL PROPERTY DESCRIPTION

[TO COME FROM SELLER]

EXHIBIT C

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

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

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

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

GRANT DEED

(Assessor's Parcel No. _____)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____, a _____, 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__.

_____, a _____

_____, By: _____
NAME

Its: _____

_____, 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(is), 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 [TITLE OF GRANTING DOCUMENT] dated _____, from the [GRANTOR'S NAME] a [California limited partnership, corporation, etc.] 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: _____

Andrico

Penick

Director of Property

EXHIBIT D

BILL OF SALE

For good and valuable consideration the receipt of which is hereby acknowledged,
_____, a _____
 (“**Seller**”), does hereby sell, transfer and convey to the CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation (“**Buyer**”), all personal property owned by Seller
and located on or in or used in connection with the Land and Improvements (as such terms are
defined in that certain Agreement of Purchase and Sale for Real Estate dated as of
_____, 20____, between Seller and Buyer (or Buyer’s predecessor in interest),
including, without limitation, those items described in Schedule 1 attached hereto.

Seller does hereby represent to Buyer that Seller is the lawful owner of such personal
property, that such personal property is free and clear of all encumbrances, and that Seller has
good right to sell the same as aforesaid and will warrant and defend the title thereto unto Buyer,
its successors and assigns, against the claims and demands of all persons whomsoever.

DATED this _____ day of _____, 20____.

SELLER: _____,
a _____

By: _____
[NAME]

Its: _____

EXHIBIT E

CONSTRUCTION MANAGEMENT AGREEMENT

[Attached]

CONSTRUCTION MANAGEMENT AGREEMENT

Between

**CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,
as City**

and

**PACIFICA SFO LLC,
a California limited liability company
as Seller**

Dated as of June 17, 2025

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CONSTRUCTION MANAGEMENT AGREEMENT

This CONSTRUCTION MANAGEMENT AGREEMENT (this “**CMA**” or this “**Agreement**”), dated as of June 17, 2025 (the “**Effective Date**”), is made and entered into by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), and PACIFICA SFO LLC, a California limited liability company (“**Seller**”).

R E C I T A L S:

City, as “Buyer”, and Seller have heretofore entered into that certain Agreement for Purchase and Sale for Real Estate dated June 17, 2025 (the “**PSA**”), pursuant to the terms of which, among other things, Seller has agreed to perform certain Seller Services (as such term is defined below, and which is more particularly described in Exhibit B attached hereto) to complete certain improvements on the Property (the “**Construction Project**”) in accordance with the plans and specifications developed by Seller, at the request of City, as more specifically described in the construction documents (the “**Construction Documents**”) incorporated herein by reference. Seller will transfer to City fee title to the Property (as such term is defined below) upon final completion of the Construction Project, all in accordance with the terms and conditions of the PSA and this CMA.

In furtherance of the provisions of the PSA, City wishes to retain Seller to complete the Construction Project, and Seller wishes to complete the Construction Project, all on the terms and conditions hereinafter set forth.

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

1. Retention of Seller; Certain Definitions.

1.1 All capitalized terms used herein shall have the meanings ascribed to them in Section 17 of this Agreement.

1.2 This Agreement shall start on the date of execution and delivery by the Parties and unless sooner terminated as provided in this Agreement, shall terminate on the date that all obligations of both Parties hereunder have been fully satisfied.

2. Authority of Seller; Approvals.

2.1 Limited Authority to Incur Expenditures and Execute Contracts. Seller, acting through its architects, consultants, contractor, subcontractors (of every tier), employees and Affiliates, accepts its engagement to perform the Seller Services on the terms and conditions herein contained, and shall have the authority to undertake the Construction Project in accordance with this CMA. Seller shall have the right to enter into Construction Contracts with City’s written approval and to pay its obligations thereunder. Except with the prior written consent of City, Seller shall not have the authority to:

(a) incur Construction Costs in excess of the GMP unless expressly authorized by City pursuant to the terms of this Agreement.

(b) enter into any Construction Contract or amendment thereto that causes the cumulative Construction Costs to exceed the GMP.

(c) enter into any agreements with third parties delegating any of the Seller Services to such third parties, other than with its Affiliates and other internal employees.

2.2 Independent Contractor.

(a) Seller acknowledges and agrees that at all times, Seller shall be deemed to be an independent contractor, is subject to the terms of this CMA, and is wholly responsible for the manner in which it performs its obligations under this CMA.

(b) Seller will not represent or hold itself or themselves out to be employees of City at any time.

(c) Seller shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees.

(d) Except as expressly provided herein to the contrary, Seller is liable for the acts and omissions of itself, its employees and its agents.

(e) Seller shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Seller's performing services and work, or any agent or employee of Seller providing same.

(f) Nothing in this CMA shall be construed as creating an employment or agency relationship between City and Seller. Any terms in this CMA referring to direction from City shall be construed as providing for direction as to policy and the result of Seller's work only, and not as to the means or methods by which such a result is obtained. City does not retain the right to control the means or the method by which Seller performs work under this CMA.

(g) Seller agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Seller's compliance with this Section. Notwithstanding the foregoing, if a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Department determines that an employee of Seller or its agents is an employee of City for purposes of collection of any employment taxes, then, provided that Seller has not already paid such employment taxes for such employee, the amounts payable under this CMA for Seller Services shall be reduced by amounts equal to both the employee and employer portions of the tax due (less amounts already paid by Seller and applied against this liability). City shall then forward those amounts to the relevant taxing authority. A determination of employment status pursuant to this subsection shall

be solely for the purposes of the particular tax in question, and for all other purposes of this CMA, Seller shall not be considered an employee of City.

2.3 Consents and Approvals.

(a) All approvals, consents or other determinations required from City hereunder shall be made by or through the City's Representative and any approval by the City's Representative shall constitute the approval by City provided:

(i) the City's Representative cannot authorize any increase in the certification of funds set forth in Section 4.1, which authorization must come, if at all, from the City's Controller; and

(ii) the City's Representative cannot authorize any amendment to the Construction Contracts or Construction Documents that causes the cumulative Construction Costs to exceed the GMP unless expressly authorized by City pursuant to Section 5.3 or Section 5.4, as applicable; and

(iii) the City's Representative cannot authorize any amendment to this CMA without the approval by the City's Director of Property following any necessary governmental approvals, which may include approval from the City's Board of Supervisors and Mayor, each exercising their sole and absolute discretion; and

(iv) the City's Representative cannot accept the Construction Project upon Final Completion without the written concurrence of Kathy Jung, or her designee, of the City's Department of Public Health.

(b) All approvals, consents or other determinations required by the City's Representative must be in writing.

(c) City's Representative shall be contracted by and paid directly by City. City's Representative shall have a duty of loyalty and a fiduciary duty only to City and not to Seller.

(d) All approvals, consents or other determinations required from Seller hereunder shall be made by or through the Seller's Project Manager and must be in writing, and any approval by the Seller's Project Manager shall constitute the approval by Seller.

(e) If a Party fails to approve, disapprove or approve conditionally any approval or consent requested by the other Party in writing within ten (10) business days following receipt of a written request for approval or consent that is then followed by a second written request for approval or consent, and such Party fails to approve, disapprove or approve conditionally such approval or consent within five (5) business days following its receipt of such second written request, then the submittal and applicable documents shall be **deemed approved** for purposes of this CMA. A Party's failure to timely respond to the other Party's request for an approval, consent or determination of any matter shall constitute a failure by such Party to comply with a material term of this CMA.

(f) The “deemed approved” provision in Section 2.3(e) expressly does not apply to:

(i) approvals that would result in a cumulative increase to the Construction Costs in excess of the Construction Project Budget; or

(ii) amendments to the CMA that require Board of Supervisor and Mayor approval, each exercising their sole and absolute discretion; or

(iii) Construction Approvals by City in its regulatory capacity; or

(iv) approval of City Change Order Proposals under Section 5; or

(v) written requests sent solely by email except as expressly authorized by this CMA.

2.4 Refinements to Construction Project Design and Budget. Throughout the term of this CMA, Seller shall work with City to refine and modify the design to keep the Construction Project within the approved Construction Project Budget. The Parties agree to work together with the Architect and the General Contractor to keep the Construction Costs at or below the Construction Project Budget. From the start of construction until final completion of the Construction Project, Seller and City’s Representative shall review and monitor the General Contractor’s monthly construction cost report of expenditures on the Construction Project during the previous month (the “**Construction Cost Report**”).

(a) The Construction Cost Report shall include an update to the Construction Project Schedule, including critical path items. Seller and City’s Representative agree to review the Construction Project Budget, as compared to actual expenditures, throughout the Construction Project to ensure that the Construction Costs do not exceed the Construction Project Budget and to notify City if an expense would cause the Construction Costs to exceed the Construction Project Budget.

(b) If Seller or City’s Representative reasonably believes at any point that the Construction Costs will likely exceed the Construction Project Budget, Seller shall notify the City’s Representative of such fact and the Parties shall discuss alternatives to design, finishes, and other items that may be changed or eliminated from the Construction Project so as to not exceed the Construction Project Budget (such actions collectively referred to herein as “**Value Engineering**”).

(c) Upon City’s request, Seller shall provide to the City’s Representative good faith detailed estimates of the cost of various proposed alternatives in order for City to initiate needed change orders to keep the Construction Costs below the Construction Project Budget.

3. Obligations of Seller.

3.1 Seller Services. During the term of this CMA, Seller shall perform all Seller Services necessary for the Construction Project's management, design, construction, completion, and delivery of the completed Construction Project to City. Seller shall provide all design, construction, and consultation services necessary for receipt of all occupancy permits and authorizations to operate a facility that meets or exceeds all design and specification requirements agreed upon between City and Seller based on the criteria set forth in the Construction Documents, including, but not limited to, compliance with all industry standards and all applicable codes and regulations.

(a) Seller shall supply qualified personnel necessary to perform its responsibilities under this CMA, and all such persons shall be employees of Seller or its Affiliates and shall not be, or be deemed to be, employees of City.

(b) Seller shall employ such employees and contract with such Contractors as necessary or appropriate to enable Seller at all times to oversee, coordinate and provide the Seller Services as required under this CMA.

(c) All matters pertaining to the employment, training, conduct, supervision, compensation, promotion and discharge of such employees shall be the sole responsibility of Seller and Seller shall comply with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions and safety and similar matters with respect to such employees.

(d) Should City, through the City's Representative, determine that Seller, or any agent or employee of Seller, is not performing the Seller Services in accordance with the requirements of this CMA, City shall provide Seller with written notice of such failure. Within ten (10) business days of Seller's receipt of such notice, Seller shall commence to remedy the deficiency (unless Seller is prevented from doing so in accordance with applicable law, binding contract or court order) and diligently prosecute the same to completion. Notwithstanding the foregoing, if City believes that an action of Seller, or any agent or employee of Seller, warrants immediate remedial action by Seller, City shall contact Seller and provide Seller in writing with the reason for requesting such immediate action; Seller shall then promptly take any corrective action reasonably requested or directed by City.

3.2 Construction Contracts.

(a) Approval and Execution. Any and all design, construction and materials/equipment contracts necessary for the completion of the Construction Project (collectively, "**Construction Contracts**") and any and all change orders, changes to plans and specifications, amendments and modifications thereto shall require the prior written approval of City, through City's Representative, which approval shall not be unreasonably withheld or delayed; provided that City's approval shall not be required for any change orders, changes to plans and specifications, amendments and modifications to the Construction Contracts that cost

less than \$25,000 in the aggregate, so long as the same shall not cause the Construction Costs to exceed the GMP.

(b) The Construction Contracts shall be based on AIA Document A102-2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price.

(c) Predevelopment Contracts. For avoidance of doubt, those Construction Contracts entered into by Seller prior to the Effective Date hereof, which are listed in Exhibit A attached hereto (“**Predevelopment Contracts**”), and the Construction Costs incurred prior to the Effective Date (subject to verification by City) are hereby ratified, confirmed and approved in all respects by City.

(d) Provisions in Construction Contracts. Seller shall include the applicable provisions set forth in Exhibit F attached hereto (the “**City’s Contracting Requirements**”) in all Construction Contracts entered into after the Effective Date, subject to exclusions for Construction Contracts costing \$50,000 or less (except as otherwise required by law), and subject to such revisions or deletions as may be agreed to by City in approving the Construction Contracts. In addition, Seller shall include in all Construction Contracts:

(i) that City, City’s Representative and its officer and agents shall be named as additional insureds to all policies of insurance procured by each Contractor covering such Contractor’s work on the Construction Project; and

(ii) a provision stating City shall be considered a third-party beneficiary to any plans and other work product created by each Contractor covering such Contractor’s work for the Construction Project with the right to rely upon the same, and which plans and other work product shall be freely assignable to City without any restrictions or consent requirements.

If any Contractor refuses to include any of the City’s Contracting Requirements in its applicable Construction Contract, Seller shall consult with City on how to proceed with the contract negotiations, including whether to waive such provision if necessary or to terminate negotiations and seek another contractor. However, Seller’s inability to get a Contractor to agree to any of the City’s Contracting Requirements shall not constitute a default by Seller under this CMA; provided, however, City shall not be required to approve any Construction Contract (that is not a Predevelopment Contract) that does not include the City’s Contracting Requirements. At the direction of City, Seller shall directly enter into all Construction Contracts that have been approved by the Parties pursuant to this Section 3.2(d).

(e) Default by Contractor. Upon a breach or default by a Contractor, or a failure of a Contractor to comply with any of the provisions of the applicable Construction Contract, including the City’s Contracting Requirements or applicable law, Seller shall use commercially reasonable efforts to take specific remedial action against the defaulting Contractor, including a call on any applicable payment and performance bonds, suit for specific performance or termination of the applicable Construction Contract and replacement of the

applicable Contractor, if necessary. Such remedial action by Seller shall be at Seller's sole cost and expense and shall not be treated as a Construction Cost.

3.3 Seller's Project Manager. Seller shall cooperate with City in order to perform the Seller Services to ensure compliance with applicable deadlines and to cause the expeditious and timely completion of the Construction Project. Seller's Project Manager shall attend regularly scheduled preconstruction, construction and related meetings relating to the Construction Project and report to the City's Representative regarding the same. In addition, Seller's Project Manager shall organize, prepare agendas and lead construction progress meetings for the City's Representative and other City internal personnel on a regular basis. Seller shall keep City, through the City's Representative, informed of all material matters relating to or affecting the Construction Project. In such regard, the Seller's Project Manager shall communicate directly with the City's Representative on a regular basis, informing such person of all material events relating to the Construction Project. In addition, Seller shall promptly and in a timely manner answer all inquiries City may have with respect to the completion of the Construction Project. Seller may change the designated Seller's Project Manager during the term of this CMA with City's consent, which shall not be unreasonably withheld.

3.4 Seller's Application and Certification for Payment.

(a) Seller's Review of 3rd Party Invoices. Seller shall review applications for payment from the Contractors and third parties for costs incurred for work performed pursuant to the Construction Project. Seller shall confirm that the work for which payment is requested was actually performed to the satisfaction of Seller's Project Manager and City's Representative. Seller shall not submit a Payment Application (defined below) for work that was not performed, defective or incomplete (collectively, the "**Disputed Work**"). Seller shall also confirm that any other prerequisites to payment have been met, including but not limited to, obtaining lien releases and supporting documentation.

(b) Frequency of Payment Applications. Seller shall from time to time, but no more frequently than once every thirty (30) days, deliver to City an application for payment in accordance with this Section 3.4 ("Payment Application").

(c) Required Documentation for Payment Applications. Seller shall submit to City's Representative the following information and/or documentation as part of the Payment Application:

(i) an AIA G703 Form (American Institute of Architects) or a similar industry-accepted Application and Certification For Payment that shall include, at minimum; (1) a summary sheet; (2) a breakdown of costs showing percentage of completion based upon the approved SOV (Schedule of Values); (3) a continuation spreadsheet indicating the status of all billable line items with respect to approved contract change orders and prior payment received to date; and (4) Change Order re-cap sheet (if applicable);

(ii) the monthly Construction Cost Report;

(iii) copies of all Contractor invoices;

(iv) conditional waiver and release forms that meet the requirements of California Civil Code Section 8124 and in the form required by California Civil Code Sections 8132 or 8134, as applicable, executed by each subcontractor and material supplier having a claim in excess of \$10,000 covering all labor, services, equipment, and materials performed or supplied by the particular subcontractor or material supplier (collectively, “**Lien Waivers**”);

(v) bill of lading and material delivery receipts; and

(vi) any additional supporting data that substantiates the applicable Contractor’s right to payment as City may reasonably require.

(d) Access to and Inspection of Work. Seller and General Contractor shall make available all work areas each month for verification by City’s Representative of work-in-place prior to approving payment each month. City will reserve the right to a reasonably timely audit of all Construction Costs if there arises a need as determined by City to verify all values, quantities, or schedule overhead extensions that do not appear correct or are not in alignment with similar Construction Costs per square foot, regardless of the form of contract delivery agreed upon.

(e) Seller’s Obligation to Timely Pay Invoices. Seller shall timely meet its obligation to make pay Contractors for approved Payment Applications.

3.5 Seller Submission of Applications and Construction Approvals. Seller shall make all applications and obtain all required Construction Approvals that are necessary for the Construction Project in accordance with the Construction Project Schedule. City agrees to (i) cooperate with Seller in connection with all applications for Construction Approvals, including execution of all applications, documents and agreements necessary or appropriate to be filed or entered into with all utility companies, public agencies and municipal and other governmental authorities having jurisdiction over the Construction Project and (ii) execute, acknowledge and deliver all documents and agreements reasonably requested or required to obtain such Construction Approvals or to create utility and other easements necessary to furnish utilities.

3.6 Communications with City; Regularly Scheduled Meetings. Seller shall make Seller’s Project Manager and other key Seller personnel available at reasonable times for communications with the City’s Representative and other key City personnel. Seller shall keep City advised of all matters affecting the Construction Project and will provide regular monthly updates regarding the status of the Construction Project. In addition to “regularly scheduled” meetings, appropriate personnel of Seller shall attend other monthly meetings as reasonably requested by City relating to the Construction Project.

3.7 Coordination with Contractors. Seller shall, at Seller’s expense, enforce specific performance deadlines and penalties for noncompliance in connection with the Construction Contracts, and subject to the rights provided for thereunder and subject to applicable law, Seller

shall keep City informed of any problems or issues as they arise under any Construction Contract.

3.8 Standard of Performance. Seller covenants to City that Seller will perform or cause the applicable Contractors to perform the work with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time for construction managers, design professionals, and construction contractors. Seller understands and agrees that in entering into this CMA, City is relying on Seller's development experience and expertise and Seller's commitment to take such actions as needed to manage the Construction Project design and construction consistent with generally accepted professional standards prevailing at the time. Under this CMA, Seller shall closely monitor and oversee the work of its Contractors throughout the completion of the Construction Project, promptly notify City of any defaults, deficiencies or violations it becomes aware of, and enforce Seller's rights and remedies against the Contractors under the Construction Contracts.

3.9 Partnering. Seller shall participate with key Contractors, including but not limited to, the General Contractor and Architect in a collaborative partnering process, and Seller shall include in all Construction Contracts entered into with Contractors the items referenced in Section 3.2 above.

3.10 Construction Project Schedule. Seller shall issue a notice to proceed with construction to the General Contractor for the Construction Project no sooner than January 12 2026 and no later than January 23, 2026. Seller shall submit a Construction Project Schedule showing the start date for construction to City for approval at least thirty (30) days prior to the anticipated start of construction. Seller shall provide City with an updated resource-loaded critical path schedule at least monthly during the period of construction.

3.11 Audit and Inspection of Records. Seller agrees to maintain and make available to City, during regular business hours, accurate books and accounting records relating to its Seller Services and the Construction Project. Seller will permit City to audit, examine and to make copies, excerpts and transcripts from such books and records, and to make audits of all invoices, materials, records and all other matters related to the Construction Project, whether funded or not by City. Seller shall maintain such data and records in an accessible location and condition for a period of not fewer than three (3) years after Final Completion or until after a final audit, if any, has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this CMA shall have the same rights as conferred upon City by this Section. Seller shall include the same audit and inspection rights and record retention requirements in all Construction Contracts.

3.12 Installation of Two-Stop Elevator. Notwithstanding anything to the contrary in this CMA, Seller shall, at Seller's sole costs and expense, install a two-stop elevator (the "**Elevator**") as more specifically described in the Plans and Specifications and the Construction Documents. The costs for the design and construction of the Elevator will be included in the then applicable Construction Costs Report as a separate line item but under no circumstances shall Seller be entitled to submit nor City be required to pay a Payment Application for the work

related to the Elevator installation. The Elevator installation scope of work will include all peripheral or associated impacts on the existing facility for which Seller will be held solely responsible to restore to its original state in a timely manner. Furthermore, Seller will coordinate the Elevator modification contract so as not to delay or interfere with the Construction Project Schedule and agrees to bear all financial responsibility for Construction Project work delayed, potentially resulting in a Contractor claim for extended overhead or any other form of interference with the Contractor's work productivity.

4. Obligations of City.

4.1 Certification of Funds; Budget and Fiscal Provisions. City has appropriated and authorized funds for the Construction Project to be performed or caused to be performed by Seller, all in accordance with the Construction Contracts, Construction Project Budget, Construction Project Schedule, and this CMA. The Construction Project Budget has been certified by the City Controller and will be deposited by City into escrow within five (5) business days of the Effective Date.

4.2 City's Obligation to Timely Pay Invoices. City agrees to timely pay or reimburse Seller, through escrow within thirty (30) days of receipt of a Payment Application with supporting documentation, including but not limited to, the items listed in Section 3.4 above, to the extent Seller has paid or incurred fees, charges, costs, expenses and other amounts properly due and payable by Seller for Construction Costs, not to exceed the GMP unless expressly approved by City pursuant to Section 5.3 or Section 5.4, as applicable.

4.3 Complete Payment Applications Required for Payment. Only Payment Applications containing all of the applicable documentation listed in Section 3.4 above will be deemed complete and reviewed by the City's Representative for payment. The thirty (30) day deadline for City's acceptance and payment of, or rejection in whole or in part of, the Payment Application shall not begin until after the Payment Application is complete. If the City's Representative determines that a Payment Application is incomplete, the City's Representative shall promptly notify Seller in writing that the Payment Application is incomplete and describe in detail the information or documentation needed to complete the Payment Application ("**Deficiency Notice**"). For purposes of this Section 4.3 only, a Deficiency Notice may be sent via email in order to avoid undue delay.

4.4 Partial Payments. City shall pay that portion of a Payment Application which is complete and not the subject of Disputed Work, and shall withhold only that portion of the Payment Application which the City reasonably determines is incomplete or the subject of Disputed Work until such time as the balance of the application is complete or the issues surrounding the Disputed Work have been resolved.

4.5 City not Responsible for Late Fees. City shall not be responsible for paying any late fee or penalty for any Construction Costs, due to Seller's delay (for whatever reason) to submit a complete Payment Application.

4.6 City's Contingency. The City's Contingency is calculated by subtracting the GMP from the Construction Project Budget (the "**City's Contingency**"). Notwithstanding the fact that the City's Contingency was placed into escrow, the City's Contingency belongs to City and is not available to Seller unless and until City approves such availability in writing, if at all, pursuant to an Approved City Change Order described in Section 5.

4.7 City's Representative. City designates Lionel J. Recio, AIA, principal, Construction Management West, Inc., to be its representative (the "**City's Representative**") for purposes of communication between City and Seller in connection with the Construction Project, including, without limitation, the giving of notices, consents and approvals, subject to the limitations set forth in Section 2.3 above.

(a) City may at any time, by notice given to Seller, remove the City's Representative and appoint another individual to act as the City's Representative.

(b) Except for the limitations set forth in Section 2.3 above, the City's Representative shall have the authority to bind City with respect to all matters for which the consent or approval of City is required or permitted pursuant to this CMA and all consents, approvals and waivers given by the City's Representative shall bind City and may be relied upon by Seller.

4.8 City Cooperation. City shall cooperate with Seller for the completion of the Construction Project and shall promptly and in a timely manner: (a) provide information regarding its requirements for the Construction Project; (b) answer inquiries Seller may have with respect to such information; and (c) timely approve or disapprove (in accordance with the terms of this CMA) any items and grant its approval for Seller to execute Construction Contracts required for the completion of the Construction Project. Additional information or decisions requested by Seller of City shall also be given by City to Seller in a prompt and timely manner (in accordance with the terms of this CMA).

4.9 City Keeping Seller Informed. City shall keep Seller reasonably informed of all material matters that come to City's attention relating to or affecting the completion of the Construction Project relevant to the Seller Services, including, without limitation, all agreements and discussions between City and third parties relating to such matters, and City shall promptly notify Seller of any developments necessitating or warranting a change in the Construction Project or the Plans and Specifications.

5. **City Change Order Requests and Payments.**

5.1 City Change Order Requests.

(a) From time to time during the Construction Project, but prior to Final Completion, City may, through the City's Representative, request in writing a change in the design or construction of the Construction Project ("**City Change Order Request**").

(b) In response to a City Change Order Request, Seller shall timely prepare a written change order proposal with shall include but not be limited to: (i) a detailed written scope

of the work needed to effectuate the change(s); (ii) a written analysis showing both the cost increases (including overhead) and cost savings (if any) to the Construction Costs as a result of the proposed change(s); and (iii) a written estimate as to any impact on the Construction Project Schedule (“**City Change Order Proposal**”). Seller shall expressly inform City in writing if the City Change Order Proposal is likely to result, on a cumulative basis, in the Construction Costs going above the GMP.

(c) City shall have five (5) business days (or if Board of Supervisors and Mayor approval are required pursuant to Section 5.4 below, five (5) business days after such approval is obtained) to review and approve the City Change Order Proposal. If City approved, then both Seller and City shall sign the City Change Order Proposal, which will then become an approved City change order (“**Approved City Change Order**”). Seller shall: (i) cause the Approved City Change Order work to be done; (ii) have the costs thereof incorporated into the monthly Construction Cost Report; (iii) revise the Construction Project Schedule accordingly; and (iv) execute or cause to be executed any Construction Contracts or amendments thereto necessary or desirable to effectuate the Approved City Change Order.

(d) If for whatever reason, City does not timely approve a City Change Order Proposal, then Seller shall have no obligation whatsoever to make the proposed changes contained in the City Change Order Request and shall proceed with the Construction Project as if the City Change Order Request had never been made.

(e) For the avoidance of doubt, the Parties acknowledge that changes to the Plans and Specifications, Construction Documents or the Construction Project solely as a result of current code requirements, applicable law, or for items already addressed in the approved Construction Documents, are not City Change Order Request(s).

5.2 Payment for Approved Change Orders – At or Below GMP.

For Approved City Change Orders that would not result in a cumulative increase in the Construction Costs above the GMP, Seller shall submit Payment Applications in compliance with Section 3.4 of this CMA.

5.3 Payment for Approved Change Orders – Above GMP but Below Construction Project Budget.

For Approved City Change Orders that are likely to result in a cumulative increase in the Construction Costs above the GMP but below the Construction Project Budget, Seller shall submit Payment Applications in compliance with Section 3.4 of this CMA; however, to the extent that funds allocated for the Construction Costs are exhausted, City shall pay using the City’s Contingency.

5.4 Payment for Approved Change Orders – Above Construction Project Budget.

Prior to approving a City Change Order Proposal that is likely to result in a cumulative increase in the Construction Costs above the Construction Project Budget, City must obtain an authorizing resolution amending the PSA and/or CMA from the City’s Board of

Supervisors and Mayor, each exercising their sole and absolute discretion. Such resolution would, among other things, increase the City's Contingency and the Construction Project Budget to a level sufficient to cover the additional Construction Costs generated by the City Change Order Proposal. If City approved, then Seller shall submit Payment Applications in compliance with Section 3.4 of this CMA; however, to the extent that funds allocated for the Construction Costs are exhausted, City shall pay using the City's Contingency, as augmented by the authorizing resolution.

6. Seller Change Order Requests and Payments.

6.1 Seller Change Order Requests.

(a) From time to time during the Construction Project, but prior to Final Completion, Seller may, through the Seller's Project Manager, request in writing a change in the design or construction of the Construction Project ("**Seller Change Order Request**"). A Seller Change Order Request may be required as a result of: (i) current code requirements or applicable law; or (ii) by a third party or government agency; or (iii) for Seller's convenience or (iv) for Value Engineering in order to prevent the Construction Costs from exceeding the GMP.

(b) In support of a Seller Change Order Request, Seller shall timely prepare a written change order proposal which shall include but not be limited to: (i) a detailed written scope of the work needed to effectuate the change(s); (ii) a written analysis showing both the cost increases (including overhead) and cost savings (if any) to the Construction Costs as a result of the proposed change(s); and (iii) a written estimate as to any impact on the Construction Schedule ("**Seller Change Order Proposal**").

(c) City shall have five (5) business days to review and approve the Seller Change Order Proposal, which approval shall not be unreasonably delayed or denied, provided Seller has provided all pertinent documents requested by City in support of the change order. If City approved, then both Seller and City shall sign the Seller Change Order Proposal, which will then become an approved Seller change order ("**Approved Seller Change Order**"). Seller shall: (i) cause the Approved Seller Change Order work to be done; (ii) have the costs thereof incorporated into the monthly Construction Costs Report; (iii) revise the Construction Project Schedule accordingly; and (iv) execute or cause to be executed any Construction Contracts or amendments thereto necessary or desirable to effectuate the Approved Seller Change Order.

(d) Under no circumstances shall Seller be entitled to submit nor City be required to pay a Payment Application for the work related to an Approved Seller Change Order. Approved Seller Change Orders shall be at the sole cost and expense of Seller.

(e) If, for whatever reason, City does not timely approve a Seller Change Order Proposal, then Seller shall have no obligation whatsoever to make the proposed changes contained in the Seller Change Order Request and shall proceed with the Construction Project as if the Seller Change Order Request had never been made.

7. **Insurance.**

7.1 **Builder's Risk Insurance.** Seller will provide "Special Form" (All Risk) Builder's Risk Insurance on a replacement cost basis. The amount of coverage shall be equal to the completed value of the Construction Project, including change orders. The policy shall provide for no deduction for depreciation. The policy shall provide coverage for "soft costs," including, but not limited to, design and engineering fees, code updates, permits, bonds, insurance, and inspection costs caused by an insured peril. The Builder's Risk Insurance shall include, but shall not be limited to, the following coverages:

- a. All physical damage to the work and to appurtenances, to materials and equipment to be incorporated into the Construction Project while the same are in transit, stored on or off the Construction Project site.
- b. The perils of fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, smoke damage, damage by vehicles, vandalism and malicious mischief, theft, collapse, and water damage.
- c. The costs of debris removal, including demolition as may be made reasonably necessary by such covered perils, resulting damage, and any applicable law, ordinance, or regulation with a commercially reasonable sub-limit.
- d. Equipment breakdown coverage including commissioning.
- e. Delay in Start Up resulting from an insured peril (lost revenues and costs of funding or financing when a covered risk causes delay in completing the Construction Project). In the event Seller or City receives coverage specifically for a consequential loss associated with delay to the completion of the Construction Project, such specific amount shall be credited for delay for which the Contractor would otherwise be responsible. Seller shall be responsible for the deductible of thirty (30) days.

7.2 **Waiver of Subrogation.** Seller and City shall waive all subrogation rights against each other for damages covered by any Construction Project specific insurance or Seller's property insurance on the Property. Seller shall require similar waivers in favor of Seller and City by the Contractors (all tiers).

7.3 **Liability Insurance.** Seller shall maintain commercial general liability insurance, in an amounts of at least \$5 million dollars, except for claims arising in connection with the construction of the Construction Project, which shall be covered through insurance provided by the General Contractor or other Contractors or through a "wrap-up" insurance program covering the Construction Project. Such commercial general liability insurance shall name City, the City Representative, City's officers and agents, Seller and the Contractors as additional insureds.

7.4 **Review of Seller's Insurance Coverage by City's Risk Manager.** Seller will submit its Owner Controlled Insurance Program ("OCIP") to City for its review. City's Risk Manager will submit any required changes in the OCIP to Seller, which shall exercise its best,

good faith efforts to obtain coverage that meets City's requirements, to the extent such changes are commercially reasonable.

7.5 **Seller Obligations to Submit Reports.** Upon receipt of notice thereof, Seller shall promptly investigate and make a written report to any insurance company providing coverage applicable to the Construction Project, with a copy to City, of all accidents, claims, or damage relating to the Construction Project within the scope of the Seller Services, any damage or destruction to the Construction Project and the estimated cost of repair thereof, and shall prepare such further reports required by any such insurance company in connection therewith.

7.6 **Seller Obligation to Furnish Information.** Seller shall furnish whatever information is reasonably requested by City for the purpose of establishing the placement of insurance coverages required hereunder and shall aid and cooperate in every reasonable way with respect to such insurance and any loss thereunder. All policies covering real or personal property which Seller obtains affecting the Construction Project shall include a clause or endorsement denying the insurer any rights of subrogation against the other Party to the extent rights have been waived by the insured before the occurrence of injury or loss, if the same are obtainable. Seller and City waive any rights of recovery against the other for injury or loss due to hazards covered by policies of insurance containing such a waiver of subrogation clause or endorsement to the extent of the injury or loss covered thereby.

8. Exculpation; Indemnity.

8.1 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 CMA or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this CMA. The foregoing indemnity includes, without limitation: (i) injury to or death of a person, including employees of City or Seller or Seller's General Contractor or its subcontractor(s) or other Contractors and members of the public; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personally identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; (v) costs incurred in connection with 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; or (vi) losses arising from Seller's General Contractor's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors. In addition to Seller's obligation to indemnify City, Seller specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Seller by City and continues at all times thereafter. The indemnification provisions of this Section shall survive beyond the Final Closing, or, if title is not transferred pursuant to the PSA, beyond any termination of this CMA.

8.2 City Indemnity. City shall indemnify, defend, protect and hold harmless Seller from and against any Claims resulting from City's gross negligence or willful misconduct relating to the Construction Project.

8.3 City Exculpation. No board or commission of City (and no officer, director, member, manager, employee or agent of City) shall be personally liable for the performance of City's obligations under this CMA.

8.4 Seller Exculpation. No direct or indirect partner, shareholder or member in or of Seller (and no officer, director, managing director, manager, employee or agent of such partner, shareholder or member) shall be personally liable for the performance of Seller's obligations under this CMA.

8.5 Limitations. No insurance policy covering either Party's performance under this Agreement shall operate to limit such Party's liability under this Agreement. Nor shall the amount of insurance coverage operate to limit the extent of such liability. Notwithstanding any other provision of this Agreement, in no event shall either Party be liable to the other, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits (except as provided in Section 10.4), arising out of or in connection with this Agreement or the Seller Services performed in connection with this Agreement.

9. Notices.

9.1 Any notice required or permitted to be given hereunder and any approval by the Parties shall be in writing and shall be (as elected by the Party giving such notice or granting such approval): (i) personally delivered, (ii) delivered by recognized overnight courier, (iii) transmitted by postage prepaid certified mail, return receipt requested, or (iv) by electronic mail with a hard copy sent by one of the other methods described in clauses (i) – (iii) of this Section. Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given on the earlier to occur of: (i) the date of receipt if delivered personally; (ii) on the next business day if sent by overnight courier; or (iii) five (5) days after the date of posting if transmitted by mail. Except as expressly permitted in Section 4.3, notice by electronic mail is a courtesy only and does not constitute legal notice unless and until a hard copy sent by one of the other methods described in clauses (i) – (iii) of this Section. Either Party may change its address for purposes hereof by notice given to the other Party compliant with this Section 9.1.

9.2 Notices, requests and approvals hereunder shall be directed as follows:

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

Re: 601-617 Laguna Street - CMA
Telephone No. (415) 554-9860
Email Address: 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: 601-617 Laguna Street - CMA
Telephone No. (415) 554-4671
Email Address: Vicente.Reyes@sfcityatty.org

with a copy to: Department of Public Health
City and County of San Francisco
1145 Market Street, Suite 1100
San Francisco, CA 94102
Re: 601-617 Laguna Street – CMA
Telephone No. (628) 271-7553
Email Address: Frederic.Simmons@sfdph.org

Seller: PACIFICA SFO LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110
Attn: Deepak Israni
Phone: (619) 296-9000
Fax: (619) 296-9090
E-Mail: disrani@pacificacompanies.com

with a copy to: Thomas P. Sayer, Jr., Esq.
9984 Scripps Ranch Blvd., #284
San Diego, CA 92131
Phone: (858) 335-9590
Fax: (619) 296-9090
E-Mail: tsayer1@gmail.com

10. **Default; Remedies.**

10.1 **Seller Default.** Subject to Section 12 below, the following shall be deemed an “event of default” by Seller under this CMA:

(a) Seller’s failure to comply with any provision, term, condition or covenant of this CMA and failure to cure (at Seller’s sole costs and expense) within thirty (30) days after written notice thereof to Seller; provided that if such default cannot reasonably be cured within

such thirty (30) day period and Seller shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as reasonably required to allow Seller in the exercise of due diligence to cure such default; or

(b) Seller shall fail to provide its approval, disapproval or determination as to any matters requiring the same in accordance with the time periods set forth in Section 2.3(e).

10.2 City Default. Subject to Section 12 below, the following shall be deemed an “event of default” by City under this CMA:

(a) City’s failure to comply with any provision, term, condition or covenant of this CMA and failure to cure (at City’s sole costs and expense) within thirty (30) days after written notice thereof to City; provided that if such default cannot reasonably be cured within such thirty (30) day period and City shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as reasonably required to allow City in the exercise of due diligence to cure such default;

(b) City shall fail to provide its approval, disapproval or determination as to any matters requiring the same in accordance with the time periods set forth in Section 2.3(e) above; or

(c) City shall fail to pay Seller when due any amounts City is required to pay hereunder after written notice thereof to City. For the avoidance of doubt, City is required to pay Seller within thirty (30) days following City’s receipt of a complete Payment Application which complies with the requirements in Section 3.4 above. If City fails to pay Seller within such thirty (30) days, then Seller shall send City a written notice of default and City shall have thirty (30) days from receipt of the written notice of default to pay Seller the amount owed.

10.3 Non-Binding Mediation.

(a) Upon an alleged uncured default, either Party may request non-binding mediation by delivering a written request for mediation (“**Mediation Request**”) to the other Party. The Mediation Request must include a summary of the issue in dispute and the position of the Parties, together with any backup information or documentation it elects to provide. Within fifteen (15) days after receipt of the Mediation Request, the responding Party may agree to meet and confer promptly with the requesting Party to attempt to resolve the matter. In the absence of such agreement, or if the meet and confer does not resolve the matter promptly, the Party that requested approval may submit the matter for mediation to JAMS: Mediation, Arbitration and ADR Services (“**JAMS**”), 2 Embarcadero, Suite 1500, San Francisco, CA 94111 (or such other mediation services that the two Parties agree upon).

(b) The Parties will cooperate with JAMS and with one another in selecting a mediator from a JAMS panel of neutrals and in scheduling the mediation proceedings as quickly as feasible. The Parties agree to participate in the mediation in good faith. Neither Party may

commence or if commenced, continue, a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session. The Parties will each pay their own costs and expenses in connection with the mediation. Both Parties will split evenly the costs of the mediator. Without limiting the foregoing, the provisions sections 1115 through 1128 of the California Evidence Code, inclusive, will apply in connection with any mediation.

(c) The provisions of sections 1152 and 1154 of the California Evidence Code will apply to all settlement communications and offers to compromise made during the mediation.

(d) Upon the failure of any agreed-upon mediation to resolve the default in question, the Parties may pursue such rights and remedies as are available under this CMA – the Parties agreeing that the aforementioned mediation process is a non-binding process.

(e) It is expressly agreed to by the Parties that, to the greatest extent feasible, the Construction Project should continue on the Construction Project Schedule while the Parties resolve the dispute in mediation.

10.4 City Remedies. Upon the occurrence of an “event of default” by Seller (following the expiration of all notice and cure periods and any mediation under Section 10.3), as City’s sole and exclusive remedy, City shall have the right to:

- (a) bring a suit for specific performance of this CMA; or
- (b) if specific performance is not available (or does not provide a commercially reasonable remedy to City, as determined by a court of competent jurisdiction), call on the surety to complete the Construction Project under the payment and performance bonds; or
- (c) if specific performance is not available (or does not provide a commercially reasonable remedy to City, as determined by a court of competent jurisdiction), seek a Court order for any other remedy at law or in equity the Court deems just, including but not limited to: (i) rescission of the PSA and this CMA; (ii) release back to City of all money in escrow which has not yet been disbursed as of the date of the Court’s order; (iii) reimbursement by Seller of all moneys dispersed by City up to the date of the Court’s order plus interest of ten percent (10%) or the maximum legal interest rate, whichever is lower; and (iv) return of the Grant Deed held in escrow to Seller.

It is the express desire of City that, to the extent feasible, remedies should favor completion of the obligations of both Parties under this CMA and disfavor rescission or termination of this CMA.

10.5 Seller Remedies. Upon the occurrence of an “event of default” by City (following the expiration of all notice and cure periods and any mediation under Section 10.3), as Seller’s sole and exclusive remedy, Seller shall have the right to:

- (a) bring a suit for specific performance; or

(b) if specific performance is not available (or does not provide a commercially reasonable remedy to Seller, as determined by a court of competent jurisdiction), terminate the PSA and this CMA and bring an action against City for actual damages (including Predevelopment Costs and Construction Costs expended by Seller but not yet reimbursed) which shall include all termination fees payable in connection with the termination of all Construction Contracts but expressly exclude special, indirect, remote, incidental or punitive damages or damages for lost profits or opportunities.

It is the express desire of Seller that, to the extent feasible, remedies should favor completion of the obligations of both Parties under this CMA and disfavor rescission or termination of this CMA.

10.6 Payments Following Default. Any payments due to Seller or City under Section 10.4 or Section 10.5 hereof shall be made within thirty (30) days following the date that the amount due is determined, as determined by the applicable court (unless otherwise agreed to by the Parties).

11. City's Remedies for False Claims and Other Violations.

Under San Francisco Administrative Code section 6.22(M), any developer, contractor, subcontractor or consultant who violates any provision of Local Hire and Prevailing Wages for Construction (San Francisco Administrative Code sections 6.22 through 6.45), who submits false claims, or who violates against any governmental entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of its agreement, may be declared an irresponsible bidder and debarred according to the procedures set forth in San Francisco Administrative Code section 6.80, et seq. Additionally, any developer, contractor, subcontractor or consultant who submits a false claim may be subject to monetary penalties, investigation, and prosecution as set forth in Administrative Code section 6.80, et seq.

12. Force Majeure.

Any prevention, delay or stoppage due to: strikes, lockouts, labor disputes; material acts of God (such as earthquakes, floods, or other natural disasters); boycotts or work stoppages; industry-wide inability to obtain services, labor, or materials or reasonable substitutes therefor; acts of terrorists, war (whether declared or not) or national conflicts; extraordinary governmental regulations, orders, and laws or civil commotions, beyond the reasonable control of the Party obligated to perform, quarantines, pandemics, epidemics, or other viral outbreaks, including, without limitation, the coronavirus referred to as COVID-19 or as a direct result of governmental actions taken in connection with such quarantines, pandemics, epidemics or other viral outbreaks (collectively, the "**Force Majeure Event**"), will excuse the performance of such Party for a period equal to any such prevention, delay or stoppage and, therefore, if this CMA specifies a time period for performance of an obligation of either Party, that time period will be extended by the period of such delay in such Party's performance caused by a Force Majeure Event. No performance of any act will be excused by this Section 12 unless and until the claiming Party: (i) delivers written notice to the other Party of the Force Majeure Event within three (3) business days after the occurrence of the Force Majeure Event; (ii) exhausts all other resources available

at reasonable costs to avoid the Force Majeure Event; (iii) uses commercially reasonable efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized; (v) resumes the performance of its obligations as soon as reasonably practicable after the Force Majeure Event has ended; and (v) diligently pursues completion of the performance of the act that was prevented, hindered, delayed, or stopped by the Force Majeure Event. **“Force Majeure”** is the excused delay of a Party’s performance under this CMA due to a Force Majeure Event, provided that the claiming Party has taken the steps described in this Section 12.

13. **Attorneys’ Fees.**

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

14. **Assignment.**

14.1 **City Assignment.** City shall not be permitted to assign its rights under this CMA without the prior written approval of Seller, which consent may be withheld or granted in Seller’s sole discretion.

14.2 **Seller Assignment.** The services to be performed by Seller under this CMA are personal to Seller and Seller may not assign or transfer this CMA or any rights or benefits under this CMA to any person or entity without the prior written approval of City, which consent may be granted or withheld in City’s sole discretion. Notwithstanding the foregoing, a collateral assignment of this document to Seller’s construction or mezzanine lender will not require City’s consent, and City hereby agrees that, in the event a construction and/or mezzanine lender forecloses on its interest pursuant to a power of sale, by judicial proceedings or other lawful means, then subject to such construction or mezzanine lender entering into an assumption agreement reasonably satisfactory to City, such construction or mezzanine lender shall have the right to enforce all of the terms and provisions of this CMA as the “Seller” thereunder and City

agrees to enter into such written agreements as may be reasonably requested by Seller's construction and/or mezzanine lender to provide for the same.

14.3 Obligations Binding on Permitted Assigns. All of the covenants, conditions and obligations contained in this CMA shall be binding upon and inure to the benefit of the respective permitted successors and assigns of City and Seller.

14.4 No Release of Liability. Notwithstanding any assignment (to the extent approved by City hereunder) by Seller of its rights under this CMA, in no event shall Seller be released from any of its obligations or liabilities hereunder, and if requested by City, Seller shall covenant in writing to be jointly and severally liable with its assignee for all of its obligations and liabilities hereunder.

15. Modification of this CMA.

This CMA may not be modified, nor may compliance with any of its terms be waived, except as expressly provided herein. Any modification or waiver must be in writing and, depending on the nature of the proposed modification or waiver, may require action by the Board of Supervisors and Mayor acting in their sole and absolute discretion.

16. Rights in Deliverables.

16.1 Ownership of Results. Any interest of Seller or its Contractors in the Deliverables shall become the property of and will be transmitted to City upon the Final Completion of the Construction Project. However, unless expressly prohibited elsewhere in this CMA, Seller may retain and use copies for reference and as documentation of its experience and capabilities.

16.2 Works for Hire. If, in connection with Seller Services, Seller or the Contractors create Deliverables including, without limitation, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes, or any other original works of authorship, whether in digital or any other format, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works shall be the property of City effective upon the Final Completion of the Construction Project. If any Deliverables created by Seller or the Contractors under this CMA are ever determined not to be works for hire under U.S. law, then Seller, effective upon the Final Completion of the Construction Project, hereby assigns all Seller's copyrights to such Deliverables to City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to use commercially reasonable efforts to include a clause in every contract or subcontract imposing the same duties upon subcontractor(s). With City's prior written approval, Seller and the Contractors may retain and use copies of such works for reference and as documentation of their respective experience and capabilities.

16.3 Assignment of Intangible Property. Upon Final Completion of the Construction Project and payment to Seller of all amounts to which it is entitled under this CMA, Seller shall assign to City all of Seller's right, title and interest in and to the Deliverables by an assignment

of Intangible Property in form attached hereto as Exhibit E (the “**Assignment of Intangible Property**”). All of the Construction Contracts shall permit assignment to City, together with all warranties and guarantees, without the prior consent of the Contractors and without any additional payment to the Contractors.

17. Definitions.

“**Affiliate**” means, with respect to a Person, any other Person(s) that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with the first person.

“**Approved City Change Order**” shall have the meaning set forth in Section 5.1(c).

“**Approved Seller Change Order**” shall have the meaning set forth in Section 6.1(c).

“**Architect**” means Studio VARA. 3130 20th St. Suite 190 Street, San Francisco, CA, 94110 E-mail: Nick Brown <nbrown@studiovara.com>, Telephone: (415) 826-1367 or such architect who is selected to serve as the principal architect for the Construction Project.

“**Assignment of Intangible Property**” shall have the meaning set forth in Section 16.3.

“**Attorneys’ Fees**” shall have the meaning set forth in Section 13.

“**City**” shall mean the City and County of San Francisco, a municipal corporation, acting by and through its Real Estate Division and its boards and commissions and all of their officers, directors, members, managers, employees, affiliates, agents, successors and assigns.

“**City Change Order Proposal**” shall have the meaning set forth in Section 5.1(b).

“**City Change Order Request**” shall have the meaning set forth in Section 5.1(a).

“**City’s Contingency**” shall have the meaning set forth in Section 4.6.

“**City’s Contracting Requirements**” shall have the meaning set forth in Section 3.2(d) as listed in Exhibit F attached hereto.

“**City’s Representative**” is Lionel J. Recio, AIA, principal, Construction Management West, Inc., 930 Montgomery Street, Suite #200, San Francisco, CA, 94133, E-mail: lionel@cmwest.com, Telephone: (415) 397-6102, or such other representative that City may select, effective upon written notice to Seller.

“**Claims**” means all losses, damages, charges, liabilities, claims, costs, expenses (including reasonable attorneys’ fees and expenses) and suits or other asserted causes of action of any nature whatsoever, but specifically excluding special, indirect, consequential, remote, incidental or punitive damages or damages associated with lost profits or opportunities.

“CMA” shall have the meaning set forth in the initial paragraph hereof, including all attached Exhibits or Appendices.

“CMD” means the Contract Monitoring Division of City.

“Contractors” means the architects, engineers, consultants, contractors, subcontractors (of every tier) and suppliers retained by Seller for the Construction Project in accordance with this CMA, including the General Contractor and the Architect.

“Control” and **“Controlled by”** means the ability, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise (including by being a general partner, managing member, officer or director of the Person in question), to both (a) direct or cause the direction of the management and policies of a Person, and (b) conduct the day-to-day business operations of a Person.

“Construction Approvals” means all approvals, permits, variances, licenses, certificates of occupancy, easements, assessments, required or desirable in connection with the development and construction of the Construction Project and as contemplated in the Construction Documents.

“Construction Contracts” shall have the meaning set forth in Section 3.2(a).

“Construction Costs” shall mean the actual cost spent or incurred by Seller, which costs shall increase month over month as reflected in the Construction Cost Report but may not exceed the GMP unless expressly authorized by City pursuant to Section 5.3 or Section 5.4, as applicable.

“Construction Cost Report” shall have the meaning set forth in Section 2.4.

“Construction Documents” shall mean all Plans and Specifications, construction drawings and any other documents, used for the buildout of the Construction Project, all of which are incorporated herein by reference.

“Construction Project” shall have the meaning set forth in the recitals hereto.

“Construction Project Budget” means the budget for the Construction Project attached hereto as Exhibit C, prepared by Seller and approved by City, as the same may be amended by City from time to time.

“Construction Project Schedule” means the anticipated schedule for the Construction Project attached hereto as Exhibit D, as the same may be amended by City from time to time.

“Deficiency Notice” shall have the meaning set forth in Section 4.3.

“Deliverables” means Seller’s work product resulting from the Seller Services that are provided by Seller to City during the course of Seller’s performance of the CMA, including without limitation, the Construction Contracts, including any data, notes, estimates,

computations, sketches, photographs, presentations, reports, renderings, drawings, plans (including “as built” plans), specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Seller or its Contractors, and all work product arising out of the Construction Contracts and all work product otherwise described in this CMA.

“Effective Date” means the date on which City and Seller have executed this CMA, as authorized by a resolution or ordinance, as applicable, enacted by the City’s Board of Supervisors and Mayor approving and authorizing this CMA and the transaction contemplated hereunder, which date is listed in the first paragraph of this CMA.

“Elevator” shall have the meaning set forth in Section 3.12.

“Final Completion” means the date in which both of the following have occurred: (a) the acceptance of the Construction Project by City when the completion of the Construction Project has been fully performed, including all punch list items, and when all contractual and administrative requirements have been fulfilled; written confirmation of Final Completion shall be delivered by City to Seller within ten (10) business days following Seller’s written request if Final Completion has been attained and, if it has not, City shall delineate, within such ten (10) business day period, what actions need to be taken in order to attain Final Completion; and (b) transfer by Seller to City of the Construction Project in accordance with the terms and conditions of this Agreement.

“Force Majeure” shall have the meaning set forth in Section 12.

“Force Majeure Event” shall have the meaning set forth in Section 12.

“General Contractor” means _____
(_____) or another general contractor reasonably approved by City and Seller to construct the Construction Project in accordance with this CMA.¹

“Guaranteed Maximum Price” or **“GMP”** shall mean the guaranteed maximum price for the soft cost and hard cost for the Construction Project which is the sum of \$8,680,000 as described in the Construction Project Budget attached hereto as Exhibit C.

“JAMS” shall have the meaning set forth in Section 10.3(a).

“Lien Waivers” shall have the meaning set forth in Section 3.4(c)(iv).

“Mediation Request” shall have the meaning set forth in Section 10.3.

“Party” and **“Parties”** mean City and Seller either individually or collectively.

“Payment Application” shall have the meaning set forth in Section 3.4(b).

¹ To be completed after completion of bids.

“Person” means a natural person, corporation, partnership, limited liability company, trust, joint venture, unincorporated association, governmental authority or other entity.

“Plans and Specifications” means the plans and specifications prepared by the Architect and adopted by City, as the same may be amended by Seller with the approval of City from time to time pursuant to this CMA, all of which are incorporated herein by reference.

“Predevelopment Contracts” shall mean any Construction Contract entered into by Seller prior to the Effective Date and are listed in Exhibit A attached hereto, to develop the Plans and Specifications and Construction Costs estimates.

“Property” shall mean the real property consisting of approximately 10,300 square feet of real property, including improvements, located in the City and County of San Francisco, commonly known as 601-617 Laguna Street, San Francisco, CA 94102 [APN: 0806-002].

“Purchase and Sale Agreement” or **“PSA”** shall mean the purchase and sale agreement, including all exhibits thereto which City and Seller have executed, as authorized by a resolution or ordinance, as applicable, enacted by the City’s Board of Supervisors and Mayor approving and authorizing the transfer of title to the Property from Seller to City.

“Seller” shall mean Seller and its Affiliates and their respective direct and indirect partners, shareholders, directors, officers, members, managers, employees, agents, successors and assigns.

“Seller Change Order Proposal” shall have the meaning set forth in Section 6.1(b).

“Seller Change Order Request” shall have the meaning set forth in Section 6.1(a).

“Seller Delay” shall mean, absent Force Majeure, a delay during either design or construction that impacts the adopted or original Construction Project Schedule as a result, directly or indirectly, of Seller’s action or inaction.

“Seller’s Project Manager” means Seller’s employee, Nick Brown with Studio Vara, Nick Brown <nbrown@studiovara.com> , 415 826-1367 or such other Seller’s employee that Seller may select, effective upon written notice to City) with significant development experience who will be dedicated to the Construction Project and who will serve as Seller’s primary contact with City.

“Seller Services” means administrative, coordinative and supervisory services in connection with the planning and construction management for the Construction Project as more particularly set forth in this CMA and in Exhibit B attached hereto and made a part hereof and any other project management services reasonably incidental thereto or reasonably inferable therefrom.

“Value Engineering” shall mean a collaborative, interactive process between the Parties wherein the Parties work together to analyze the cost of each design element in the Construction Project, determine which factors contribute to the most costs or inefficiencies, review proposed

alternatives in design, materials or construction methods and implement alternative approaches that reduces costs without sacrificing quality or utility.

18. Additional Requirements; Certain Requirements Incorporated by Reference

18.1 Laws Incorporated by Reference. The full text of the laws expressly listed in this Section 18, including enforcement and penalty provisions, are incorporated by reference into this CMA. The full text of the San Francisco Municipal Code provisions expressly incorporated by reference in this Section 18 and elsewhere in the CMA are available at www.sfgov.org under "Government."

18.2 Conflict of Interest. By executing this CMA, Seller certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify City if it becomes aware of any such fact during the term of this CMA.

18.3 Prohibition on Use of Public Funds for Political Activity. In performing the Seller Services, Seller shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by City for this CMA from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Seller is subject to the enforcement and penalty provisions in Chapter 12G.

18.4 Nondisclosure of Private, Proprietary or Confidential Information.

(a) If this CMA requires City to disclose "Private Information" to Seller within the meaning of San Francisco Administrative Code Chapter 12M, Seller shall use such information only in accordance with the restrictions stated in Chapter 12M and in this CMA and only as necessary in performing the Seller Services. Seller is subject to the enforcement and penalty provisions in Chapter 12M.

(b) In the performance of Seller Services, Seller may have access to City's proprietary or confidential information, the disclosure of which to third parties may damage City. If City discloses proprietary or confidential information to Seller, then, to the extent Seller is advised in writing that such information is proprietary or confidential, such information must be held by Seller in confidence and used only in performing this CMA, subject to Seller's right to disclose such information as may be required by Court order or applicable law. Seller shall exercise the same standard of care to protect such information as a reasonably prudent person would use to protect its own proprietary or confidential information.

18.5 Nondiscrimination Requirements.

(a) Non-Discrimination in Contracts. Seller shall comply with the provisions of Articles 131 and 132 of the San Francisco Labor and Employment Code. Seller is subject to the enforcement and penalty provisions in Articles 131 and 132 to the extent applicable to Seller.

(b) Nondiscrimination in the Provision of Employee Benefits. San Francisco Labor and Employment Code Section 131.2. Seller does not as of the date of this CMA, and will not during the term of this CMA, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Labor and Employment Code Section 131.2.

18.6 Minimum Compensation Ordinance. Seller shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111. Seller is subject to the enforcement and penalty provisions in San Francisco Labor and Employment Code Article 111. By signing and executing this CMA, Seller certifies that it is in compliance with San Francisco Labor and Employment Code Article 111.

18.7 Health Care Accountability Ordinance. Seller shall comply with San Francisco Labor Employment Code Article 121 as applicable to Seller's work under this CMA. To the extent applicable, (i) Seller shall choose and perform one of the Health Care Accountability options set forth in San Francisco Labor Employment Code Section 121.3 and (ii) Seller is subject to the enforcement and penalty provisions in San Francisco Labor Employment Code Article 121.

18.8 First Source Hiring Program. Seller must comply with the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply this CMA, and Seller is subject to the enforcement and penalty provisions of Chapter 83 of the San Francisco Administrative Code.

18.9 Alcohol and Drug-Free Workplace. City reserves the right to require Seller to remove from the Construction Project personnel of any Seller or Contractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs the ability of Seller to maintain safe work facilities or to protect the health and well-being of City employees and the general public. Seller shall have the right (and the responsibility) of final approval for the entry or re-entry of any such person previously denied access to, or removed from, the Construction Project. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

18.10 Limitations on Contributions. By executing this CMA, Seller acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to: (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that

individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, 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 months after the date the contract is approved. The prohibition on contributions applies to each prospective party to the contract; each member of Seller's board of directors; Seller's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Seller; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Seller. Seller must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

18.11 Consideration of Criminal History in Hiring and Employment Decisions.

(a) Seller agrees to comply fully with and be bound by the provisions of Article 142, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Labor Employment Code ("**Article 142**"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this CMA as though fully set forth herein. The text of the Article 142 is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of Seller's obligations under Article 142 is set forth in this Section. Seller is required to comply with all of the applicable provisions of Article 142, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this CMA shall have the meanings assigned to such terms in Article 142.

(b) The requirements of Article 142 shall only apply to Seller's operations to the extent those operations are in furtherance of the performance of this CMA, shall apply only to applicants and employees of Seller who would be or are performing work in furtherance of this CMA, and shall apply when the physical location of the employment or prospective employment by Seller of an individual is wholly or substantially within the City and County of San Francisco. Article 142 shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

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

18.13 Compliance with Americans with Disabilities Act. Seller shall provide the Seller Services in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

18.14 MacBride Principles -Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated herein by this reference and made part of this CMA.

18.15 Tropical Hardwood and Virgin Redwood Ban. Pursuant to San Francisco Environment Code Section 804(b), City urges Seller not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

18.16 Preservative Treated Wood Products. Seller shall comply with the applicable provisions of San Francisco Environment Code Chapter 13, which requires that contractors purchasing preservative-treated wood products on behalf of City, shall only purchase such products from the list of alternatives adopted by the Department of the Environment pursuant to Section 1302 of Chapter 13, unless otherwise granted an exemption by the terms of that Chapter.

18.17 Compliance with Laws. Seller's contracts with each Contractor shall obligate each Contractor to become and remain fully informed of and comply with the applicable provisions of the Charter, ordinances and regulations of City and other local agencies having jurisdiction over their work, and all federal and state laws and regulations in any manner affecting the Construction Contracts, the performance of the work thereunder, or those persons engaged therein, subject to exclusions for Pre-Approved Construction Contracts costing \$50,000 or less (except as otherwise required by law), and subject to such revisions or deletions as may be agreed to by City in approving the Construction Contracts. Seller shall require compliance with, and shall use good faith efforts to ensure all construction and materials provided under the Construction Contracts shall be in full accordance with, the applicable provisions of the latest laws and requirements, as the same may be amended, updated or supplemented from time to time, of the Code specified in the Construction Contracts, Americans with Disability Act Accessibility Guidelines, CAL-OSHA, the State Division of Industrial Safety of the Department of Industrial Relations, the Division of the State Architect – Access Compliance, the Public Utilities Commission of the State of California, the State Fire Marshal, the National Fire Protection Association, the San Francisco Department of Public Health, state and federal laws and regulations, and of other bodies or officials having jurisdiction or authority over same, and they shall be observed and complied with by Seller and any and all persons, firms and corporations employed by or under it. City and its agents may at any time, following written notice to Seller, enter upon any part of the work to ascertain whether such laws, ordinances, regulations or orders are being complied with, provided that City shall have no obligation to do so under this CMA and no responsibility for such compliance. To the extent applicable to Seller, Seller shall comply with all laws including the applicable provisions of the Charter, ordinances and regulations of City and local agencies having jurisdiction over it.

19. Construction Project Signage.

Seller may maintain reasonable and customary signage at the Construction Project specifying Seller's role in the Construction Project.

20. Applicable Law.

This CMA shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of laws. Venue for all litigation relative to the formation, interpretation and performance of this CMA shall be in San Francisco.

21. Severability.

If any term or provision of this CMA or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this CMA, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this CMA shall be valid and be enforced to the fullest extent permitted by law.

22. Counterparts.

This CMA may be executed in one or more counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, but all of such counterparts shall constitute one and the same instrument. The Parties agree that their respective signatures transmitted by DocuSign or PDF electronic mail shall be deemed binding for all purposes.

23. Benefits and Obligations.

The covenants and agreements herein contained shall (subject to Section 14.2 hereof) inure to the benefit of, and be binding upon, the Parties hereto and their respective heirs, administrators, legal representatives and permitted successors and assigns. No provisions of this CMA shall inure to the benefit of, or be enforceable by, any creditors, contractors or other third parties.

24. Integration.

This CMA represents the entire and integrated agreement between City and Seller and supersedes all prior negotiations, representations or agreements, either written or oral with respect to the subject matter hereof. This CMA may be amended only by written instrument signed by City and Seller.

25. Further Assurances.

City and Seller agree to execute and deliver such further instruments as may be necessary or desirable to effect this CMA and the covenants and obligations of the Parties hereto.

26. Headings.

The headings in this CMA are solely for convenience of reference and shall not affect its interpretation.

27. **Survival.**

Notwithstanding anything stated to the contrary in this CMA, the covenants, conditions or indemnities of Seller or City under this CMA shall survive: (a) the termination of this CMA or (b) the Final Completion for a period of three (3) years after either such event occurs.

28. **No Waiver.**

No failure or delay of either Party in the exercise of any right under this CMA shall be deemed to be a waiver of such right. No waiver by either Party of any condition under this CMA for its benefit or any breach under this CMA shall constitute a waiver of any other or further right or subsequent breach.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed and delivered this CMA as of the day and year written above.

CITY

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Name: Andrico Q. Penick
Title: Director of Property

RECOMMENDED:

DEPARTMENT OF PUBLIC HEALTH

By: _____
Name: Kathy Jung
Director of Facilities and Capital Planning

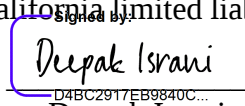
APPROVED AS TO FORM:

DAVID CHIU, CITY ATTORNEY

By: _____
Name: Vicente P. Reyes
Deputy City Attorney

SELLER

Pacifica SFO LLC,
a California limited liability company

By:  6/16/2025
Name: Deepak Israni
Title: President and Managing Partner

LIST OF EXHIBITS

<u>Exhibit A</u>	List of Predevelopment Contracts
<u>Exhibit B</u>	Scope of Seller Services
<u>Exhibit C</u>	Construction Project Budget
<u>Exhibit D</u>	Construction Project Schedule
<u>Exhibit E</u>	Form of Assignment of Intangible Property
<u>Exhibit F</u>	City's Contracting Requirements
<u>Exhibit G</u>	Local Hire, First Source and Local Business Enterprise Program Requirements

EXHIBIT A

LIST OF PREDEVELOPMENT CONTRACTS

[Attached]

Exhibit A

Predevelopment Contracts



June 11, 2025

City and County of San Francisco
Real Estate Division
Mr. Andrico Penick
Director of Property
25 Van Ness Suite 400
San Francisco, CA 94102

We are formally submitting a summary of predevelopment costs associated with our Hayes Valley transaction. This submission includes all relevant supporting documents. Please find the details below:

Vendor	Date	Invoice	Amount
Studio VARA	7/22/2024	2309-001	1,271.76
Studio VARA	9/30/2024	2309-002	2,544.40
Studio VARA	10/31/2024	2309-003	4,593.75
Studio VARA	11/30/2024	2309-004	1,268.75
FTF Engineering	10/31/2023	12832 -1/2	25,000.00
Studio VARA	12/31/2024	2309-005	790.00
Studio VARA	1/31/2025	2309-006	262.50
Studio VARA	7/21/2023	4009	5,000.00
Fog City As-Builts	8/1/2023	3304	7,450.00
Studio VARA	7/31/2023	4028	6,597.50
Fog City As-Builts	8/1/2023	3304 - B	7,450.00
Studio VARA	8/31/2023	4048	12,500.00
Studio VARA	9/30/2023	4067	18,837.50
Studio VARA	10/31/2023	4085	11,162.00
FGV Renovations	12/3/2023	HS-2/23	2,300.00
Studio VARA	11/30/2023	4103	3,158.75
Studio VARA	12/31/2023	4123	4,525.00
TOTAL			\$114,711.91

Thank you for your attention on this matter.

Sincerely,

Adam Bandel



Studio VARA
3130 20th St, Suite 190
San Fransisco, CA 94110
(415) 826-1367

Bill to	Date	Invoice	Amount due
2309-601-624-LAGU-ARCH	Jul 22, 2024	2309-001	\$1,271.76
Deepak Israni, Managing Partner	Due date		
Pacifica Companies, LLC	Aug 6, 2024		
San Diego, CA 92110			

Items	Quantity	Price	Amount
January - June 2024 Services:			
Architectural Services: Feasibility Study	0.25	\$260.00	\$65.00
Feasibility, Principal			
Feasibility, Senior Project Manager	2	\$185.00	\$370.00
Feasibility, Senior Project Manager	19.25	\$165.00	\$3,176.25
Feasibility, Job Captain	11	\$130.00	\$1,430.00
Travel	1	\$14.75	\$14.75
Repro	1	\$81.18	\$81.18
15% markup for Wide Format - Full Size B&W	1	\$12.18	\$12.18
Permit Fee	1	\$976.00	\$976.00
15% markup for Permit Fee	1	\$146.40	\$146.40
Retainer Applied	1	\$-5,000.00	\$-5,000.00
		Subtotal	\$1,271.76
		Total	\$1,271.76
		Paid	\$0.00
	Amount due		\$1,271.76

Use this link to pay online: <https://app02.us.bill.com/p/00802PYIZDHTSHX2yuur>



Studio VARA
3130 20th St, Suite 190
San Fransisco, CA 94110
(415) 826-1367

Bill to	Date	Invoice	Amount due
2309-601-624-LAGU-ARCH	Sep 30, 2024	2309-002	\$2,544.40
Deepak Israni, Managing Partner	Due date		
Pacifica Companies, LLC	Oct 15, 2024		
San Diego, CA 92110			

Items	Quantity	Price	Amount
Pre-Design	1	\$2,537.50	\$2,537.50
In-House Reproductions	1	\$6.90	\$6.90
			Subtotal
			\$2,544.40
			Total
			\$2,544.40
			Paid
			\$0.00
Amount due			\$2,544.40

Use this link to pay online: <https://app02.us.bill.com/p/00802PYIZDHTSHX2yuur>

Project **2309**

601-624 LAGU - ARCH



Bill from

Studio VARA

3130 20th Street
Suite 190
San Francisco, CA 94110
United States

Bill to

2309-601-624-LAGU

Issue date

Sep 30, 2024

Terms

-

Due date

Oct 15, 2024

Services through

Sep 1, 2024 - Sep 30, 2024

Invoice number

2309-002

Total due

\$2,544.40

Hourly Services

Pre-Design

ROLE	CURRENT INVOICE	HOURLY RATE	CURRENT DUE
Project Manager	14.5 hrs	\$175.00	\$2,537.50
Total for Pre-Design			\$2,537.50
Total for Hourly Services			\$2,537.50

601-624 LAGU - ARCH

Studio VARA

Invoice # 2309-002

Expenses

CATEGORY	ITEM	DATE	PHASE	CURRENT DUE
In-House Reproductions	In-House Reproductions	2024/09/30	Schematic Design	\$6.90
Total for Expenses				\$6.90

Grand Total Due

\$2,544.40

Studio VARA Inc
3130 20th St. Suite 190
San Francisco, CA 94110 US
415.826.1367
accounting@studiovara.com
STUDIOVARA.COM



Statement

TO
Neil
2309-601-624-LAGU-ARCH
Deepak Israni, Managing
Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite
200
San Diego, CA 92110

STATEMENT NO. 1120
DATE 10/11/2024
TOTAL DUE \$3,816.16
ENCLOSED

DATE	DESCRIPTION	AMOUNT	BALANCE
02/29/2024	Balance Forward		18,845.75
03/14/2024	Payment #1637	-11,162.00	7,683.75
07/22/2024	Invoice #2309-001	1,271.76	8,955.51
09/25/2024	Payment #1767	-3,158.75	5,796.76
09/25/2024	Payment #1767	-4,525.00	1,271.76
09/30/2024	Invoice #2309-002	2,544.40	3,816.16

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
2,544.40	0.00	0.00	1,271.76	0.00	\$3,816.16



Studio VARA
3130 20th St, Suite 190
San Fransisco, CA 94110
(415) 826-1367

Bill to	Date	Invoice	Amount due
2309-601-624-LAGU-ARCH	Oct 31, 2024	2309-003	\$4,593.75
Deepak Israni, Managing Partner	Due date		
Pacifica Companies, LLC	Nov 15, 2024		
San Diego, CA 92110			

Items	Quantity	Price	Amount
Pre-Design	1	\$4,593.75	\$4,593.75
Subtotal			\$4,593.75
Total			\$4,593.75
Paid			\$0.00
Amount due			\$4,593.75

Use this link to pay online: <https://app02.us.bill.com/p/00802PYIZDHTSHX2yuur>



Bill from

Studio VARA

3130 20th Street
Suite 190
San Francisco, CA 94110
United States

Bill to

2309-601-624-LAGU

Project

2309

601-624 LAGU - ARCH

Services through

Nov 1, 2024 - Nov 30, 2024

Invoice #	Terms	Issue date	Due date	Invoice Total
2309-004	-	Nov 30, 2024	Dec 15, 2024	\$1,268.75

Hourly Services

Pre-Design				
ROLE		CURRENT INVOICE	HOURLY RATE	CURRENT DUE
Project Manager		7.25 hrs	\$175.00	\$1,268.75
Total for Pre-Design				\$1,268.75
Total for Hourly Services				\$1,268.75

Invoice Total

\$1,268.75

54 Balboa Ave
San Rafael, CA 94901 US
(415) 287-6034



FOG CITY

AS-BUILTS

ADDRESS

Deepak Israni
Managing Partner
Pacific Companies, LLC
1775 Hancock St. Ste 200
San Diego , Ca 92110
c/o Neil Chaudhuri
Project Address:
601 Laguna St.
San Francisco, CA 94102

Proposal 12093

DATE 07/24/2023

PROJECT NAME:

601_LAGUNA_RVT

ACTIVITY	AMOUNT
07/24/2023	
Revit Model Base 3D model to include: walls, doors, windows, roof, floor, stairs and ceiling with basic topography. (NOTE: Doors and Windows to have generic detail for sash and trim, ceiling to be typical height as measured in building, and topography generated from grade at 4 corners of building.) To include exposed beams, does not include foundation and roof framing. Includes: balconies attached decks and patios with interior access. *The process of using Revit families to produce Asbuilts can occasionally force the measurer to make assumptions about the composition, material and size of elements in the model in order to create a traditional set of architectural Asbuilts. Often the framing of walls, floors, ceilings and roofs are assumed using best guesses of construction based on the measured depth of these elements. In some cases an element cannot be measured, for example a slab floor or a ceiling and then this element will be completely assumed in order to make the model work. Fog City Asbuilts makes no claim that all elements inside each family are an accurate representation of the actual building composition. Our goal is to create a model that can produce accurate traditional 2d floor plans and elevations. Every effort will be made to accurately capture the composition of observable building components. Includes up to 11,000 sq-ft. Overages will be charged @ .50 sq-ft Priced 3,400	8,800.00
Revit Add Ons-Floor Plan Include detailed elements: plumbing fixtures, soffits, window type, shelving, cabinets, appliances, exposed beams, penetrations, HVAC registers, and railings. NOTE: To be created using 2D line-work. Priced	1,400.00

ACTIVITY	AMOUNT
Revit Add Ons-Elevations	600.00
Include detailed elevation data: highly articulated walls, windows, doors, stairs, attached decks, railing, fascia, chimneys, skylights, trim, ornamentation, and finish material annotations. Dimensions include floor to floor, floor to ceiling, and header heights. NOTE: To be created using 2D line-work. Priced	
Revit Add Ons-Reflected Ceiling	1,400.00
Includes detailed elements: A floor plan of the ceiling with correctly sized lighting fixtures, molding, ornamentation, HVAC, soffits, exposed beams and T-bar framing where applicable. Where roof framing is exposed, only elements attached to framing will be shown. No framing. NOTE: To be created using 2D line-work. Priced	
Revit Add-On Section	1,100.00
A view of the structure as if it has been cut through from roof to foundation. Observable structural data such as lumber size and spacing is provided where applicable. Does not include interior elevation data but will show single line representation of structural details and major built-ins. NOTE: To be created using 2D line-work. 2 VIEWS ONE LONG ONE CROSS Priced, 2 @ \$550.00	
Site Plan w/Roof	1,600.00
Locates structures, includes a roof plan and documents all changes from hard-scape to soft-scape. Also includes power drop, exposed utilities, and adjacent buildings within 10' of property lines, that are assumed from the tax assessor's map. Does not include topography or property line determinations and in no way represents a survey. NOTE: To be created using 2D line-work. Priced	
Deliverables-REVIT	
2020 RVT file created.	
Retainer	
Due upon acceptance and scheduling of project. \$7,450.00	

ACTIVITY

AMOUNT

TERMS

If you elect to contract our services, please follow the steps below. By signing this proposal this document now serves as a Work Authorization Agreement.

1. Review the plans and corresponding fees that you or your agent requested.
2. Sign this Agreement and make a check for the retainer amount. FAX 415-962.4046 or email cielo@fogcityasbuilts.com a signed copy of this Agreement and check for immediate scheduling consideration.
3. Upon receipt of your signed Agreement and retainer check, confirmation will be emailed to you with a scheduled date and time.
4. Once scheduling has been confirmed between the client and FCA, any access restrictions or delays may result in additional fees and require the project to be placed on a temporary hold.
5. Final payment is required before working drawings can be delivered. Upon request, pdf files can be available for review before payment is made.
6. Client acknowledges and agrees, that Fog City As-builts, LLC's liability for any and all claims associated with the project will be limited to the amount of fees paid to Fog City As-builts, LLC for services rendered.
7. Client is responsible to review deliverable's within 20 days of receipt. After said time, the deliverable's are deemed approved and FCA will charge \$100.00 per hour fee to return for any additional site data.

THIS PROPOSAL IS BASED ON INFORMATION FROM YOU OR YOUR AGENT, ALL INVOICES WILL BE ADJUSTED TO REFLECT THE ACTUAL QUANTITIES MEASURED AND ILLUSTRATED.

Your signature acknowledges the terms and conditions herein, for this work, and creates a binding contractual obligation to make payment to Fog City As-builts for that work.

TOTAL

\$14,900.00

Accepted By

Accepted Date



Randy Collins

Wed, Oct 18,
7:29 PM (7 days
ago)

to Deepak, me

Deepak and Neil,

I need to let you know that we will exceed our contract amount for 601 Laguna for the following reasons:

1. Additional correspondence and site visits to manage contractor and scope of exploratory demo.
2. Calculations for all shear walls to verify adequacy of smaller nails than what was specified.
3. Extensive construction defects will need to be documented for repair.

I anticipate \$6,000 additional fees.

Let me know if you would like a formal Additional Service letter, or if an email exchange is OK for this fee extension.

If you have any questions or concerns, you can contact me tomorrow (Thursday) to discuss.

Thank you,
Randy



FTF Engineering, Inc.

38 Mason Street, 2nd Floor
San Francisco, CA 94102
Tel: 415-931-8460
accounting@ftfengineering.com
www.ftfengineering.com

Deepak Israni
Pacifica Companies LLC
1775 Hancock St
Suite 200
San Diego, CA 92110

Invoice

Invoice Date: Oct 31, 2023
Invoice #: 12832
Billing Through: Oct 31, 2023

601 Laguna - (23-078 601, 624 Laguna Investigations - 601 Laguna)

Contract Amt: \$18,400.00	% Comp.: 100.00	Previously Billed: \$0.00	Amount Due: \$18,400.00
----------------------------------	------------------------	----------------------------------	--------------------------------

Project (23-078 601, 624 Laguna Investigations - 601 Laguna) Amount Due: **\$18,400.00**

624 Laguna - (23-078 601, 624 Laguna Investigations - 624 Laguna)

Contract Amt: \$15,300.00	% Comp.: 100.00	Previously Billed: \$0.00	Amount Due: \$15,300.00
----------------------------------	------------------------	----------------------------------	--------------------------------

Project (23-078 601, 624 Laguna Investigations - 624 Laguna) Amount Due: **\$15,300.00**

Amount Due This Invoice: **\$33,700.00**

This invoice is due on 11/15/2023

*\$25,000
Jm*

Thank you for your business.



Studio VARA

3130 20th St, Suite 190
San Fransisco, CA 94110
(415) 826-1367

Bill to	Date	Invoice	Amount due
2309-601-624-LAGU-ARCH	Dec 31, 2024	2309-005	\$790.00
Deepak Israni, Managing Partner	Due date		
Pacifica Companies, LLC	Jan 15, 2025		
San Diego, CA 92110			

Items	Quantity	Price	Amount
Pre-Design	1	\$790.00	\$790.00
			Subtotal
			\$790.00
			Total
			\$790.00
			Paid
			\$0.00
Amount due			\$790.00

Use this link to pay online: <https://app02.us.bill.com/p/00802PYIZDHTSHX2yuur>



Bill from
Studio VARA

3130 20th Street
Suite 190
San Francisco, CA 94110
United States

Bill to
2309-601-624-LAGU

Project **2309**
601-624 LAGU - ARCH

Services through
Jan 1, 2025 - Jan 31, 2025

Invoice #	Terms	Issue date	Due date	Invoice Total
2309-006	-	Jan 31, 2025	Feb 15, 2025	\$262.50

Hourly Services

Pre-Design

ROLE	CURRENT INVOICE	HOURLY RATE	CURRENT DUE
Project Manager	1.5 hrs	\$175.00	\$262.50
Total for Pre-Design			\$262.50
Total for Hourly Services			\$262.50

Invoice Total \$262.50

FGV RENOVATIONS LLC
4541 MAPLECREST CT
CA 95377

Invoice

Date	Invoice #
9/30/2022	HS- 1/22

Bill To
Pacifica SL Hayes 624 Laguna Street San Francisco, CA 94102

Ship To
Attn: Neil Chaudhuri

			Project
			Interior
Qty	Description	Rate	Amount
	Repair drywall due to water damage at kitchen and main entry per Carl and Neil	550.00	550.00
Thank you for your business.		Total	\$550.00
		Payments/Credits	\$0.00
		Balance Due	\$550.00

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367



Invoice #:	4009
Invoice Date:	07/21/23
Amount Due:	\$5,000.00

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Due Date	Terms
07/21/23	Due on receipt

Description	Quantity	Price	Amount
Retainer		\$5,000.00	\$5,000.00
Total:			\$5,000.00
Payments:			\$0.00
Amount Due:			\$5,000.00

To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

54 Balboa Ave
San Rafael, CA 94901 US
(415) 287-6034



FOG CITY

AS-BUILTS

INVOICE 3304**DATE** 08/01/2023**DUE DATE** 08/31/2023**BILL TO**

Deepak Israni
Managing Partner
Pacific Companies, LLC
1775 Hancock St. Ste 200
San Diego, Ca 92110
c/o Neil Chaudhuri
Project Address:
601 Laguna St.
San Francisco, CA 94102

PROJECT NAME:

601_LAGUNA_RVT_RET_INV

ACTIVITY	AMOUNT
08/01/2023	
RETAINER INVOICE	
Revit Model	8,800.00
Base 3D model to include: walls, doors, windows, roof, floor, stairs and ceiling with basic topography. (NOTE: Doors and Windows to have generic detail for sash and trim, ceiling to be typical height as measured in building, and topography generated from grade at 4 corners of building.) To include exposed beams, does not include foundation and roof framing.	
Includes: balconies attached decks and patios with interior access.	
*The process of using Revit families to produce Asbuilts can occasionally force the measurer to make assumptions about the composition, material and size of elements in the model in order to create a traditional set of architectural Asbuilts. Often the framing of walls, floors, ceilings and roofs are assumed using best guesses of construction based on the measured depth of these elements. In some cases an element cannot be measured, for example a slab floor or a ceiling and then this element will be completely assumed in order to make the model work.	
Fog City Asbuilts makes no claim that all elements inside each family are an accurate representation of the actual building composition. Our goal is to create a model that can produce accurate traditional 2d floor plans and elevations. Every effort will be made to accurately capture the composition of observable building components.	
Includes up to 11,000 sq-ft. Overages will be charged @ .50 sq-ft Priced	
Revit Add Ons-Floor Plan	1,400.00
Include detailed elements: plumbing fixtures, soffits, window type, shelving, cabinets, appliances, exposed beams, penetrations, HVAC registers, and railings. NOTE: To be created using 2D line-work. Priced	

www.fogcityasbuilts.com

ACTIVITY	AMOUNT
Revit Add Ons-Elevations Include detailed elevation data: highly articulated walls, windows, doors, stairs, attached decks, railing, fascia, chimneys, skylights, trim, ornamentation, and finish material annotations. Dimensions include floor to floor, floor to ceiling, and header heights. NOTE: To be created using 2D line-work. Priced	600.00
Revit Add Ons-Reflected Ceiling Includes detailed elements: A floor plan of the ceiling with correctly sized lighting fixtures, molding, ornamentation, HVAC, soffits, exposed beams and T-bar framing where applicable. Where roof framing is exposed, only elements attached to framing will be shown. No framing. NOTE: To be created using 2D line-work. Priced	1,400.00
Revit Add-On Section A view of the structure as if it has been cut through from roof to foundation. Observable structural data such as lumber size and spacing is provided where applicable. Does not include interior elevation data but will show single line representation of structural details and major built-ins. NOTE: To be created using 2D line-work. 2 VIEWS ONE LONG ONE CROSS Priced, 2 @ \$550.00	1,100.00
Site Plan w/Roof Locates structures, includes a roof plan and documents all changes from hard-scape to soft-scape. Also includes power drop, exposed utilities, and adjacent buildings within 10' of property lines, that are assumed from the tax assessor's map. Does not include topography or property line determinations and in no way represents a survey. NOTE: To be created using 2D line-work. Priced	1,600.00
Deliverables-REVIT 2020 RVT file created.	
Retainer Due upon acceptance and scheduling of project. \$7,450.00	

ACTIVITY	AMOUNT
----------	--------

TERMS

If you elect to contract our services, please follow the steps below. By signing this proposal this document now serves as a Work Authorization Agreement.

1. Review the plans and corresponding fees that you or your agent requested.
2. Sign this Agreement and make a check for the retainer amount. FAX 415-962.4046 or email cielo@fogcityasbuilt.com a signed copy of this Agreement and check for immediate scheduling consideration.
3. Upon receipt of your signed Agreement and retainer check, confirmation will be emailed to you with a scheduled date and time.
4. Once scheduling has been confirmed between the client and FCA, any access restrictions or delays may result in additional fees and require the project to be placed on a temporary hold.
5. Final payment is required before working drawings can be delivered. Upon request, pdf files can be available for review before payment is made.
6. Client acknowledges and agrees, that Fog City As-builts, LLC's liability for any and all claims associated with the project will be limited to the amount of fees paid to Fog City As-builts, LLC for services rendered.
7. Client is responsible to review deliverable's within 20 days of receipt. After said time, the deliverable's are deemed approved and FCA will charge \$100.00 per hour fee to return for any additional site data.

THIS PROPOSAL IS BASED ON INFORMATION FROM YOU OR YOUR AGENT, ALL INVOICES WILL BE ADJUSTED TO REFLECT THE ACTUAL QUANTITIES MEASURED AND ILLUSTRATED.

Thank you for your business.

TOTAL	14,900.00
DEPOSIT	7,450.00

TOTAL DUE	\$7,450.00
-----------	-------------------

54 Balboa Ave
San Rafael, CA 94901 US
(415) 287-6034



FOG CITY

AS-BUILTS

Proposal 12093

DATE 07/24/2023

ADDRESS

Deepak Israni
Managing Partner
Pacific Companies, LLC
1775 Hancock St. Ste 200
San Diego, Ca 92110
c/o Neil Chaudhuri
Project Address:
601 Laguna St.
San Francisco, CA 94102

PROJECT NAME:
601_LAGUNA_RVT

ACTIVITY	AMOUNT
07/24/2023	
Revit Model	8,800.00
Base 3D model to include: walls, doors, windows, roof, floor, stairs and ceiling with basic topography. (NOTE: Doors and Windows to have generic detail for sash and trim, ceiling to be typical height as measured in building, and topography generated from grade at 4 corners of building.) To include exposed beams, does not include foundation and roof framing.	
Includes: balconies attached decks and patios with interior access.	
*The process of using Revit families to produce Asbuilts can occasionally force the measurer to make assumptions about the composition, material and size of elements in the model in order to create a traditional set of architectural Asbuilts. Often the framing of walls, floors, ceilings and roofs are assumed using best guesses of construction based on the measured depth of these elements. In some cases an element cannot be measured, for example a slab floor or a ceiling and then this element will be completely assumed in order to make the model work.	
Fog City Asbuilts makes no claim that all elements inside each family are an accurate representation of the actual building composition. Our goal is to create a model that can produce accurate traditional 2d floor plans and elevations. Every effort will be made to accurately capture the composition of observable building components.	
Includes up to 11,000 sq-ft. Overages will be charged @ .50 sq-ft	
Priced	
3,400	
Revit Add Ons-Floor Plan	1,400.00
Include detailed elements: plumbing fixtures, soffits, window type, shelving, cabinets, appliances, exposed beams, penetrations, HVAC registers, and railings.	
NOTE: To be created using 2D line-work.	
Priced	

ACTIVITY	AMOUNT
Revit Add Ons-Elevations Include detailed elevation data: highly articulated walls, windows, doors, stairs, attached decks, railing, fascia, chimneys, skylights, trim, ornamentation, and finish material annotations. Dimensions include floor to floor, floor to ceiling, and header heights. NOTE: To be created using 2D line-work. Priced	600.00
Revit Add Ons-Reflected Ceiling Includes detailed elements: A floor plan of the ceiling with correctly sized lighting fixtures, molding, ornamentation, HVAC, soffits, exposed beams and T-bar framing where applicable. Where roof framing is exposed, only elements attached to framing will be shown. No framing. NOTE: To be created using 2D line-work. Priced	1,400.00
Revit Add-On Section A view of the structure as if it has been cut through from roof to foundation. Observable structural data such as lumber size and spacing is provided where applicable. Does not include interior elevation data but will show single line representation of structural details and major built-ins. NOTE: To be created using 2D line-work. 2 VIEWS ONE LONG ONE CROSS Priced, 2 @ \$550.00	1,100.00
Site Plan w/Roof Locates structures, includes a roof plan and documents all changes from hard-scape to soft-scape. Also includes power drop, exposed utilities, and adjacent buildings within 10' of property lines, that are assumed from the tax assessor's map. Does not include topography or property line determinations and in no way represents a survey. NOTE: To be created using 2D line-work. Priced	1,600.00
Deliverables-REVIT 2020 RVT file created.	
Retainer Due upon acceptance and scheduling of project. \$7,450.00	

ACTIVITY	AMOUNT
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TERMS

If you elect to contract our services, please follow the steps below. By signing this proposal this document now serves as a Work Authorization Agreement.

1. Review the plans and corresponding fees that you or your agent requested.
2. Sign this Agreement and make a check for the retainer amount. FAX 415-962.4046 or email cielo@fogcityasbuilt.com a signed copy of this Agreement and check for immediate scheduling consideration.
3. Upon receipt of your signed Agreement and retainer check, confirmation will be emailed to you with a scheduled date and time.
4. Once scheduling has been confirmed between the client and FCA, any access restrictions or delays may result in additional fees and require the project to be placed on a temporary hold.
5. Final payment is required before working drawings can be delivered. Upon request, pdf files can be available for review before payment is made.
6. Client acknowledges and agrees, that Fog City As-built, LLC's liability for any and all claims associated with the project will be limited to the amount of fees paid to Fog City As-built, LLC for services rendered.
7. Client is responsible to review deliverable's within 20 days of receipt. After said time, the deliverable's are deemed approved and FCA will charge \$100.00 per hour fee to return for any additional site data.

THIS PROPOSAL IS BASED ON INFORMATION FROM YOU OR YOUR AGENT, ALL INVOICES WILL BE ADJUSTED TO REFLECT THE ACTUAL QUANTITIES MEASURED AND ILLUSTRATED.

Your signature acknowledges the terms and conditions herein, for this work, and creates a binding contractual obligation to make payment to Fog City As-built for that work.

TOTAL	\$14,900.00
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Accepted By

Accepted Date

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367



Invoice #:	4028
Invoice Date:	07/31/23
Amount Due:	\$6,597.50

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Due Date	Terms
07/31/23	Due on receipt

Description	Quantity	Price	Amount
July 2023 Services:			
Architectural Services: Feasibility Study			
Principal	2	\$260.00	\$520.00
Senior Project Manager	11.75	\$185.00	\$2,173.75
Project Manager	17.75	\$165.00	\$2,928.75
Job Captain	7.5	\$130.00	\$975.00
Subtotal of Feasibility Study Services			\$6,597.50
Total:			\$6,597.50
Payments:			\$0.00
Amount Due:			\$6,597.50

To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

54 Balboa Ave
San Rafael, CA 94901 US
(415) 287-6034



FOG CITY

AS-BUILTS

INVOICE 3304**DATE** 08/01/2023**DUE DATE** 08/31/2023**BILL TO**

Deepak Israni
Managing Partner
Pacific Companies, LLC
1775 Hancock St. Ste 200
San Diego, Ca 92110
c/o Neil Chaudhuri
Project Address:
601 Laguna St.
San Francisco, CA 94102

PROJECT NAME:

601_LAGUNA_RVT_RET_INV

ACTIVITY	AMOUNT
08/01/2023	
RETAINER INVOICE	
Revit Model	8,800.00
Base 3D model to include: walls, doors, windows, roof, floor, stairs and ceiling with basic topography. (NOTE: Doors and Windows to have generic detail for sash and trim, ceiling to be typical height as measured in building, and topography generated from grade at 4 corners of building.) To include exposed beams, does not include foundation and roof framing.	
Includes: balconies attached decks and patios with interior access.	
*The process of using Revit families to produce Asbuilts can occasionally force the measurer to make assumptions about the composition, material and size of elements in the model in order to create a traditional set of architectural Asbuilts. Often the framing of walls, floors, ceilings and roofs are assumed using best guesses of construction based on the measured depth of these elements. In some cases an element cannot be measured, for example a slab floor or a ceiling and then this element will be completely assumed in order to make the model work.	
Fog City Asbuilts makes no claim that all elements inside each family are an accurate representation of the actual building composition. Our goal is to create a model that can produce accurate traditional 2d floor plans and elevations. Every effort will be made to accurately capture the composition of observable building components.	
Includes up to 11,000 sq-ft. Overages will be charged @ .50 sq-ft Priced	
Revit Add Ons-Floor Plan	1,400.00
Include detailed elements: plumbing fixtures, soffits, window type, shelving, cabinets, appliances, exposed beams, penetrations, HVAC registers, and railings. NOTE: To be created using 2D line-work. Priced	

www.fogcityasbuilts.com

ACTIVITY	AMOUNT
Revit Add Ons-Elevations Include detailed elevation data: highly articulated walls, windows, doors, stairs, attached decks, railing, fascia, chimneys, skylights, trim, ornamentation, and finish material annotations. Dimensions include floor to floor, floor to ceiling, and header heights. NOTE: To be created using 2D line-work. Priced	600.00
Revit Add Ons-Reflected Ceiling Includes detailed elements: A floor plan of the ceiling with correctly sized lighting fixtures, molding, ornamentation, HVAC, soffits, exposed beams and T-bar framing where applicable. Where roof framing is exposed, only elements attached to framing will be shown. No framing. NOTE: To be created using 2D line-work. Priced	1,400.00
Revit Add-On Section A view of the structure as if it has been cut through from roof to foundation. Observable structural data such as lumber size and spacing is provided where applicable. Does not include interior elevation data but will show single line representation of structural details and major built-ins. NOTE: To be created using 2D line-work. 2 VIEWS ONE LONG ONE CROSS Priced, 2 @ \$550.00	1,100.00
Site Plan w/Roof Locates structures, includes a roof plan and documents all changes from hard-scape to soft-scape. Also includes power drop, exposed utilities, and adjacent buildings within 10' of property lines, that are assumed from the tax assessor's map. Does not include topography or property line determinations and in no way represents a survey. NOTE: To be created using 2D line-work. Priced	1,600.00
Deliverables-REVIT 2020 RVT file created.	
Retainer Due upon acceptance and scheduling of project. \$7,450.00	

ACTIVITY	AMOUNT
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TERMS

If you elect to contract our services, please follow the steps below. By signing this proposal this document now serves as a Work Authorization Agreement.

1. Review the plans and corresponding fees that you or your agent requested.
2. Sign this Agreement and make a check for the retainer amount. FAX 415-962.4046 or email cielo@fogcityasbuilt.com a signed copy of this Agreement and check for immediate scheduling consideration.
3. Upon receipt of your signed Agreement and retainer check, confirmation will be emailed to you with a scheduled date and time.
4. Once scheduling has been confirmed between the client and FCA, any access restrictions or delays may result in additional fees and require the project to be placed on a temporary hold.
5. Final payment is required before working drawings can be delivered. Upon request, pdf files can be available for review before payment is made.
6. Client acknowledges and agrees, that Fog City As-builts, LLC's liability for any and all claims associated with the project will be limited to the amount of fees paid to Fog City As-builts, LLC for services rendered.
7. Client is responsible to review deliverable's within 20 days of receipt. After said time, the deliverable's are deemed approved and FCA will charge \$100.00 per hour fee to return for any additional site data.

THIS PROPOSAL IS BASED ON INFORMATION FROM YOU OR YOUR AGENT, ALL INVOICES WILL BE ADJUSTED TO REFLECT THE ACTUAL QUANTITIES MEASURED AND ILLUSTRATED.

Thank you for your business.

TOTAL	14,900.00
DEPOSIT	7,450.00

TOTAL DUE	\$7,450.00
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54 Balboa Ave
San Rafael, CA 94901 US
(415) 287-6034



FOG CITY

AS-BUILTS

Proposal 12093

DATE 07/24/2023

ADDRESS

Deepak Israni
Managing Partner
Pacific Companies, LLC
1775 Hancock St. Ste 200
San Diego, Ca 92110
c/o Neil Chaudhuri
Project Address:
601 Laguna St.
San Francisco, CA 94102

PROJECT NAME:
601_LAGUNA_RVT

ACTIVITY

AMOUNT

07/24/2023

Revit Model

8,800.00

Base 3D model to include: walls, doors, windows, roof, floor, stairs and ceiling with basic topography. (NOTE: Doors and Windows to have generic detail for sash and trim, ceiling to be typical height as measured in building, and topography generated from grade at 4 corners of building.) To include exposed beams, does not include foundation and roof framing.

Includes: balconies attached decks and patios with interior access.

*The process of using Revit families to produce Asbuilts can occasionally force the measurer to make assumptions about the composition, material and size of elements in the model in order to create a traditional set of architectural Asbuilts. Often the framing of walls, floors, ceilings and roofs are assumed using best guesses of construction based on the measured depth of these elements. In some cases an element cannot be measured, for example a slab floor or a ceiling and then this element will be completely assumed in order to make the model work.

Fog City Asbuilts makes no claim that all elements inside each family are an accurate representation of the actual building composition. Our goal is to create a model that can produce accurate traditional 2d floor plans and elevations. Every effort will be made to accurately capture the composition of observable building components.

Includes up to 11,000 sq-ft. Overages will be charged @ .50 sq-ft
Priced
3,400

Revit Add Ons-Floor Plan

1,400.00

Include detailed elements: plumbing fixtures, soffits, window type, shelving, cabinets, appliances, exposed beams, penetrations, HVAC registers, and railings.
NOTE: To be created using 2D line-work.
Priced

www.fogcityasbuilts.com

ACTIVITY	AMOUNT
Revit Add Ons-Elevations Include detailed elevation data: highly articulated walls, windows, doors, stairs, attached decks, railing, fascia, chimneys, skylights, trim, ornamentation, and finish material annotations. Dimensions include floor to floor, floor to ceiling, and header heights. NOTE: To be created using 2D line-work. Priced	600.00
Revit Add Ons-Reflected Ceiling Includes detailed elements: A floor plan of the ceiling with correctly sized lighting fixtures, molding, ornamentation, HVAC, soffits, exposed beams and T-bar framing where applicable. Where roof framing is exposed, only elements attached to framing will be shown. No framing. NOTE: To be created using 2D line-work. Priced	1,400.00
Revit Add-On Section A view of the structure as if it has been cut through from roof to foundation. Observable structural data such as lumber size and spacing is provided where applicable. Does not include interior elevation data but will show single line representation of structural details and major built-ins. NOTE: To be created using 2D line-work. 2 VIEWS ONE LONG ONE CROSS Priced, 2 @ \$550.00	1,100.00
Site Plan w/Roof Locates structures, includes a roof plan and documents all changes from hard-scape to soft-scape. Also includes power drop, exposed utilities, and adjacent buildings within 10' of property lines, that are assumed from the tax assessor's map. Does not include topography or property line determinations and in no way represents a survey. NOTE: To be created using 2D line-work. Priced	1,600.00
Deliverables-REVIT 2020 RVT file created.	
Retainer Due upon acceptance and scheduling of project. \$7,450.00	

ACTIVITY	AMOUNT
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TERMS

If you elect to contract our services, please follow the steps below. By signing this proposal this document now serves as a Work Authorization Agreement.

1. Review the plans and corresponding fees that you or your agent requested.
2. Sign this Agreement and make a check for the retainer amount. FAX 415-962.4046 or email cielo@fogcityasbuilt.com a signed copy of this Agreement and check for immediate scheduling consideration.
3. Upon receipt of your signed Agreement and retainer check, confirmation will be emailed to you with a scheduled date and time.
4. Once scheduling has been confirmed between the client and FCA, any access restrictions or delays may result in additional fees and require the project to be placed on a temporary hold.
5. Final payment is required before working drawings can be delivered. Upon request, pdf files can be available for review before payment is made.
6. Client acknowledges and agrees, that Fog City As-built, LLC's liability for any and all claims associated with the project will be limited to the amount of fees paid to Fog City As-built, LLC for services rendered.
7. Client is responsible to review deliverable's within 20 days of receipt. After said time, the deliverable's are deemed approved and FCA will charge \$100.00 per hour fee to return for any additional site data.

THIS PROPOSAL IS BASED ON INFORMATION FROM YOU OR YOUR AGENT, ALL INVOICES WILL BE ADJUSTED TO REFLECT THE ACTUAL QUANTITIES MEASURED AND ILLUSTRATED.

Your signature acknowledges the terms and conditions herein, for this work, and creates a binding contractual obligation to make payment to Fog City As-built for that work.

TOTAL	\$14,900.00
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Accepted By

Accepted Date

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367



Invoice #:	4048
Invoice Date:	08/31/23
Amount Due:	\$12,500.00

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Due Date	Terms
08/31/23	Due on receipt

Description	Quantity	Price	Amount
August 2023 Services:			
Architectural Services: Feasibility Study			
Principal	0	\$260.00	\$0.00
Senior Project Manager	11.5	\$185.00	\$2,127.50
Project Manager	21.5	\$165.00	\$3,547.50
Job Captain	52.5	\$130.00	\$6,825.00
Subtotal of Feasibility Study Services			\$12,500.00
Total:			\$12,500.00
Payments:			\$0.00
Amount Due:			\$12,500.00

test
To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

City and County of San Francisco
Department of Building Inspection



London N. Breed, Mayor
Patrick O'Riordan, C.B.O., Director

Notice Requiring Compliance of San Francisco Housing Code Section 604 For Apartment Buildings/Residential Condos (3 or more units) and Hotels

(Affidavit is on Reverse Side)

On September 17, 2002, the Board of Supervisors passed Ordinance # 192-02, which added Section 604 to the San Francisco Housing Code. The pertinent part of the Code Section is provided below for your reference. The following information has been enclosed in this information packet to assist your submittal of the required affidavit **due now* and every 5 years hereafter**. This requirement is separate and will cycle independently from the periodic health & safety (routine) inspections required by Chapter 3 of the Housing Code.

SEC. 604. STRUCTURAL MAINTENANCE.

(a) Affidavit Required. All wood and metal decks, balconies, landings, exit corridors, stairway systems, guard rails, hand rails, fire escapes, or any parts thereof in weather-exposed areas of apartment buildings and hotels shall be inspected by a licensed general contractor, or a structural pest control licensee, or a licensed professional architect or engineer, verifying that the exit system, corridor, balcony, deck or any part thereof is in general safe condition, in adequate working order, and free from hazardous dry rot, fungus, deterioration, decay, or improper alteration. Property owners shall provide proof of compliance with this section by submitting an affidavit form (provided by the Department) signed by the responsible inspector to the Housing Inspection Services Division every five years. For purposes of this section, weather-exposed areas means those areas which are not interior building areas.

San Francisco Housing Code Requirements: Section 604 requires apartment house (including residential condominium buildings of (three [3] dwellings or more) and hotel (six [6] guest rooms or more) owners to have all building appendages inspected by a licensed general contractor, or structural pest control licensee, or licensed professional architect or engineer, verifying that the exit system, corridor, balcony, deck, or any part thereof (that exists within the subject building as identified in Section 604, found above.

Note for Residential Condominiums: The San Francisco Housing Code defines residential condominiums (of three dwellings or more) to be apartment houses and therefore, subject to this requirement. Residential condominium owners should have their home owner's association complete the enclosed affidavit if the building appendages described above are in the common or public areas of the building. If they are not part of the common area, but related to a specific dwelling/condo, then that residential condominium owner must complete the affidavit and return it to DBI's Housing Inspection Services Division per the instructions indicated below.

Proof of Compliance & Mailing Instructions: Property owners shall provide proof of compliance with this Section by submitting the compliance affidavit, with verification (if applicable) completed and signed by the licensed professional who inspected the subject building. Completed affidavits must be submitted to the Housing Inspection Services Division as indicated below, every 5 years, by mail, fax or email to:

Mail: DBI - Housing Inspection Services Division

Attn: Section 604 H.C. Affidavit Filing

49 South Van Ness Avenue, 4/F

San Francisco, CA. 94103

Office 628.652.3700

FAX 628.652.3709

Email: dbi.hissection604@sfgov.org

Code Enforcement for Failure to File: Code enforcement proceedings as required by the San Francisco Housing Code will be initiated against those property owners who do not file completed and signed affidavits to the Department of Building Inspection by the required date. If you have any questions, please contact the Housing Inspection Services Division at (628) 652-3700

**If you have submitted your completed affidavit within the last five years upon receipt of this notice, you do not have to complete and submit a new affidavit. Please visit www.sfdbi.org/decksafety to verify that your property is found on the DBI's SF Housing Section 604 compliant tracking log*

Housing Inspection Services
49 South Van Ness Avenue, San Francisco, CA. 94103
Office 628.652.3700 – FAX 628.652.3709 – www.sfdbi.org

City and County of San Francisco
Department of Building Inspection



London N. Breed, Mayor
Patrick O'Riordan, C.B.O., Director

COMPLIANCE AFFIDAVIT
SECTION 604 OF THE SAN FRANCISCO HOUSING CODE
(Requirements are described in the Notice on the reverse side)

Building Location:
Building Address: 601 Laguna Ave., San Francisco Assessors Block/Lot: _____

Building Type: (select one)

- ☐ Apartment House ☐ Hotel
☒ Residential Condo Building (Apartment House with three (3) or more dwellings - building appendage in common areas)
☐ Individual Residential Condo (Individual Dwelling Unit with building appendages in private area)

Property Owner Information: (select one & complete)

- ☐ Name of Property Owner: _____
☒ Name of Residential Condominium Association Representative: Deepak Israni
Mailing Address for building contact (owner or condo association): Pacific Companies LLC
Phone # of Contact Person: 916-296 9000

Licensed Professional Information: (select type of professional & complete)

Name of Licensed Professional that reviewed building: Pat Connolly
Mailing Address of Licensed Professional: 2277 McKinnon Ave., San Francisco, Ca 94124
Phone # of Licensed Professional: 415-566 1479 License #: #885762

Type of professional:

- ☒ General Contractor ☐ Architect
☐ Civil Engineer ☐ Structural Engineer
☐ Structural Pest Control Inspector

Affidavit Verification: (Complete verification below)

- ☐ Exterior building appendages (as described on reverse side) **DO NOT** exist at the subject building.
☒ Exterior building appendages **DO** exist at the subject building.

I, Pat Connolly, hereby verify to the best of my knowledge that at the time of my inspection on 09/11/2023, all wood and metal decks, balconies, landings, exit corridors, stairway systems, guardrails, handrails, fire escapes, or any parts thereof in weather-exposed areas, (that exist at the subject building identified above) are in general safe condition, adequate working order, and free from deterioration, decay, or improper alteration that could cause a safety hazard.

Pat Connolly

September 13th, 2023

Signature of Licensed Professional indicated above Date Signed

Please submit this completed & signed affidavit to the Department of Building Inspection as follows:

Mail: DBI - Housing Inspection Services Division
Attn: Section 604 H.C. Affidavit Filing
49 South Van Ness Avenue, 4/F
San Francisco, CA. 94103

Office 628.652.3700

FAX 628.652.3709

Email: dbi.hissection604@sfgov.org

Please make a copy of this affidavit for your records prior to submittal to the Department of Building Inspection.

Housing Inspection Services
49 South Van Ness Avenue, San Francisco, CA. 94103
Office 628.652.3700 – FAX 628.652.3709 – www.sfdbi.org

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367

INVOICE



Invoice #: 4067
Invoice Date: 09/30/23
Amount Due: \$18,837.50

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Due Date	Terms
09/30/23	Due on receipt

Description	Quantity	Price	Amount
September 2023 Services:			
Architectural Services: Feasibility Study			
Senior Project Manager	3	\$185.00	\$555.00
Project Manager	31.5	\$165.00	\$5,197.50
Job Captain	80	\$130.00	\$10,400.00
Designer	24.25	\$110.00	\$2,667.50
Subtotal of Feasibility Study Services			\$18,820.00
Reimbursable Expenses:			
In-house Reproductions		\$17.50	\$17.50
Total Reimbursable Expenses			\$17.50
Total:			\$18,837.50
Payments:			\$0.00
Amount Due:			\$18,837.50

To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367

INVOICE



Invoice #: 4085
Invoice Date: 10/31/23
Amount Due: \$11,162.00

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Due Date	Terms
10/31/23	Due on receipt

Description	Quantity	Price	Amount
October 2023 Services:			
Architectural Services: Feasibility Study			
Senior Project Manager	9	\$185.00	\$1,665.00
Project Manager	54.75	\$165.00	\$9,033.75
Job Captain	62.75	\$130.00	\$8,157.50
Designer	29.5	\$110.00	\$3,245.00
Subtotal of Feasibility Study Services			\$22,101.25
Discount of Fees - Architectural		\$-11,013.75	\$-11,013.75
Reimbursable Expenses:			
In-house Reproductions		\$74.50	\$74.50
Total Reimbursable Expenses			\$74.50
Total:			\$11,162.00
Payments:			\$0.00
Amount Due:			\$11,162.00

To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

Studio VARA
3130 20th St Ste 190
San Francisco CA 94110

Statement

Date

11/28/2023

Bill To

Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110
c/o Neil Chaudhuri

				Amount Due	Amount Enc.
				\$29,999.50	
Date	Description			Amount	Balance
05/30/2023	Balance forward				0.00
	2309-601-624-LAGU-ARCH-				
07/21/2023	INV #4009.			5,000.00	5,000.00
07/31/2023	INV #4028.			6,597.50	11,597.50
08/17/2023	PMT #1422.			-5,000.00	6,597.50
08/31/2023	INV #4048.			12,500.00	19,097.50
09/18/2023	PMT #1477.			-6,597.50	12,500.00
09/30/2023	INV #4067.			18,837.50	31,337.50
10/12/2023	PMT #1482.			-12,500.00	18,837.50
10/31/2023	INV #4085.			11,162.00	29,999.50
Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
0.00	11,162.00	18,837.50	0.00	0.00	\$29,999.50

FGV RENOVATIONS LLC
4541 MAPLECREST CT
CA 95377

Invoice

Date	Invoice #
12/3/2023	HS- 2/23

Bill To
Pacifica SL Hayes 624 Laguna Street San Francisco, CA 94102

Ship To
Attn: Neil Chaudhuri

Project
Additional Works

Qty	Description	Rate	Amount
2	Made two site visits with 3 people including a General Contractor to open up Walls, ceilings, structural areas for Engineering company according to the Demo Plan provided. Includes spending around 10 hours each day and all travel expenses.	1,150.00	2,300.00
Thank you for your business.		Total	\$2,300.00
		Payments/Credits	\$0.00
		Balance Due	\$2,300.00

FGV RENOVATIONS LLC
4541 MAPLECREST CT
CA 95377

Invoice

Date	Invoice #
12/3/2023	HS- 2/23

Bill To
Pacifica SL Hayes 624 Laguna Street San Francisco, CA 94102

Ship To
Attn: Neil Chaudhuri

Project
Additional Works

Qty	Description	Rate	Amount
2	Made two site visits with 3 people including a General Contractor to open up Walls, ceilings, structural areas for Engineering company according to the Demo Plan provided. Includes spending around 10 hours each day and all travel expenses.	1,150.00	2,300.00
Thank you for your business.		Total	\$2,300.00
		Payments/Credits	\$0.00
		Balance Due	\$2,300.00

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367



Invoice #:	4103
Invoice Date:	11/30/23
Amount Due:	\$3,158.75

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Terms
Due on receipt

Description	Quantity	Price	Amount
November 2023 Services:			
Architectural Services: Feasibility Study			
Senior Project Manager	3.25	\$185.00	\$601.25
Project Manager	15.5	\$165.00	\$2,557.50
Subtotal of Feasibility Study Services			\$3,158.75
Total:			\$3,158.75
Payments:			\$0.00
Amount Due:			\$3,158.75

To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

STUDIO VARA INC
3130 20TH ST
STE 190
SAN FRANCISCO, CA 94110-2700
415-826-1367



Invoice #:	4123
Invoice Date:	12/31/23
Amount Due:	\$4,525.00

2309-601-624-LAGU-ARCH
Deepak Israni, Managing Partner
Pacifica Companies, LLC
1775 Hancock Street, Suite 200
San Diego, CA 92110

Terms
Due on receipt

Description	Quantity	Price	Amount
December 2023 Services:			
Architectural Services: Feasibility Study			
Senior Project Manager	5.5	\$185.00	\$1,017.50
Project Manager	12	\$165.00	\$1,980.00
Job Captain	11.75	\$130.00	\$1,527.50
Subtotal of Feasibility Study Services			\$4,525.00
Total:			\$4,525.00
Payments:			\$0.00
Amount Due:			\$4,525.00

To pay online, go to <https://app02.us.bill.com/p/00802HKHWLOPWFF1wdog>

EXHIBIT B

SCOPE OF SELLER SERVICES

I. DESCRIPTION OF GENERAL SERVICES

1.1. **General Services.** The Seller Services identified below and in the CMA shall extend to the design and construction of the Construction Project. Seller shall oversee and monitor all aspects of the design and construction of the Construction Project by the dates set forth in the Construction Project Schedule.

1.1.1. Seller shall fulfill the obligations and comply with the requirements of both the CMA and this Exhibit B, Scope of Seller Services. If Seller reasonably believes that there is a conflict between the obligations and requirements of the CMA, on the one hand, and this Exhibit B, on the other hand, Seller shall notify City's Representative of the conflict, citing the relevant sections in the documents, and City's Representative shall instruct Seller in writing on how the conflict will be resolved. For the avoidance of doubt, such resolution may take the form of an interpretation of the meaning of the relevant sections such that they do not conflict; waiving one or more of the obligations or requirements; or seeking an amendment of the conflicting document(s) either administratively or by approved resolution from the Board of Supervisors and Mayor to remove the conflict.

1.2. Administration and Coordination

1.2.1. In conjunction with City, prepare for City's approval of the Construction Documents. Seller shall update or modify the Construction Documents from time to time upon the request of City and otherwise when Seller deems necessary, and all such revisions to the Construction Documents shall be subject to City's approval.

1.2.2. Establish and implement procedures for coordination of all aspects of the Construction Project between City, Seller, and Contractors.

1.2.3. Negotiate contracts and agreements for all contracted services, including site development, architectural, construction, engineering, testing and consulting services, and provide written recommendations to City to approve contracts or agreements.

1.2.4. Coordinate the services and activities of the General Contractor, Architect, and the other Contractors, to facilitate cooperative efforts in the development and implementation of the Construction Documents.

1.2.5. Negotiate any documents, instruments or agreements or amendments thereto necessary or appropriate for the implementation of the Construction Project and services related thereto, to the extent such documents, instruments or agreements, or amendments thereto, are consistent with the Construction Documents. Except as otherwise provided in the CMA, all material documents, instruments, agreements or amendments are subject to the reasonable approval of City.

1.3. **Management Control Procedures**

1.3.1. Establish and implement administration and reporting procedures for the Construction Project, including finance, budget and cost controls, as well as supervision of accounting.

1.3.2. Coordinate the development and implementation of a procedure/system of Construction Project Cost control and track actual and projected costs.

1.3.3. Oversee the activities of the Contractors regarding their performance in accordance with their respective agreements. Upon receipt of knowledge thereof, notify City of all material deviations and coordinate the implementation of the necessary procedures to rectify the same.

1.3.4. Recommend to City and implement the engagement of, subject to City approval, one or more Contractors to provide construction phase services.

1.3.5. Coordinate the scheduling of meetings on a regular basis, or more frequently as City may reasonably elect, among City, the Architect, the General Contractor and such other parties as City may deem necessary or appropriate concerning the Construction Project.

1.3.6. Consistent with industry standards for similar projects, monitor, manage and oversee the General Contractor's work throughout construction of the Construction Project.

1.3.7. Review and monitor the General Contractor's monthly construction cost report of expenditures for the Construction Project on a monthly basis.

1.3.8. Review the Construction Project Budget, as compared to actual expenditures, throughout the construction of the Construction Project and advise City if Seller reasonably believes that the total Construction Project Costs are likely to exceed the amounts set forth in the Construction Project Budget and, if such is the case, Seller shall use commercially reasonable efforts to provide City with proposed alternatives in order to keep the total costs below those set forth in the Construction Project Budget.

1.4. **Timing and Scheduling**

1.4.1. Coordinate the development and updating of appropriate Construction Project Schedule, including a resource and cost-loaded critical path analysis.

1.4.2. Oversee the coordination of the individual timing schedules of all Construction Project participants so as to conform to the overall Construction Project Schedule and manage any necessary adjustments.

1.4.3. Monitor the Construction Project participants in order to confirm that their individual work capacities and performances continually conform to the overall Construction Project Schedule.

1.4.4. Endeavor to identify appropriate opportunities for “fast-tracking” the overall Construction Project Schedule, evaluate the costs and benefits of such strategies and provide City with Seller’s recommendations. Endeavor to identify schedule impacts and prepare recovery strategies and budget of costs relating thereto.

1.5. **Negotiations.** Negotiate contracts and agreements for all contracted services, including, but not limited to, site development, architectural, construction, engineering, testing and consulting services, where appropriate using the attorneys and Contractors recommended by Seller and approved by City.

1.6. **Reporting**

1.6.1. Conduct Construction Project meetings; review and comment on reports delivered by others.

1.6.2. Keep City informed of all material internal and external Construction Project related matters by initiating and distributing relevant information. The level and detail of such information will be mutually reviewed as the Construction Project progresses.

1.6.3. Use good faith diligent efforts to inform City of all upcoming meetings in a timely manner.

II. DESIGN PHASES

2.1. **General Requirements**

2.1.1. Throughout all design phases, Seller shall collaborate with the Construction Project Team and shall update all submitted plans, schedules, and reports.

2.1.2. Seller shall provide a schedule indicating the critical path for the Construction Project duration and update this schedule throughout all design phases.

2.2. **Conceptual Design Phase - Completed**

2.3. **Schematic and Design Development Phase**

2.3.1. Seller shall refine the approved Criteria Package to fully integrate all required Construction Project design elements and issue a 100% Design Development Package (“DDs”), in order to provide sufficient information to develop the Construction Documents. City shall approve the DDs within ten (10) working days of delivery of the 100% DDs to City.

2.3.2. The 100% DDs shall include at a minimum:

2.3.2.1. Architectural site, floor plans, reflected ceiling, and equipment plans, exterior and interior elevations, column grids, vehicle access/egress, vertical conveyance systems including elevator lobby(s), pedestrian access/egress, etc.

2.3.2.2. Interior design plans and other supporting documents to illustrate the graphic design layouts.

2.3.2.3. Refined building systems, material, and products selections.

2.3.2.4. Refined MEP, Special Systems, Fire Protection, and Exterior Skin and other systems floor plans, diagrams and text to describe these systems.

2.3.2.5. Seller shall develop BIM Model for detailed MEP, Special Systems, and other systems floor plans, diagrams, and text to describe these systems

2.3.2.6. Document the constructability review, including an evaluation of the design documents to identify value engineering opportunities, identification of long lead items, availability of labor, and other factors affecting construction.

2.3.2.7. Prepare a Design Development phase report to document and summarize the Design Development phase decisions and outcomes, including deviations from the Criteria Package that are approved by City.

2.4. Construction Documents Phase

2.4.1. Based on the approved Design Development documents, Seller shall prepare 100% Construction Documents that, at a minimum, should include drawings, diagrams, calculations, 3D models, renderings, schedules, and Technical Specifications. The City's Representative shall provide all City comments on the 100% CD packages within ten (10) working days.

2.4.2. Prepare a Construction Document phase report to document and summarize the Construction Document phase decisions and outcomes, including deviations from the Criteria Package that are approved by City.

III. CONSTRUCTION PHASE

3.1. General Scope of Work

3.1.1. Seller shall furnish and install mockups as identified and determined during Programming for performance, acceptance of size, circulation, and City-furnished FF&E as determined in the approved Construction Project Schedule. The mock-ups may be constructed in-place and/or off-site as determined during Programming.

3.1.2. Seller shall plan for authorities with jurisdiction to inspect the Construction Project. The City's Representative has final authority over coordination, use of premises, and access to site.

3.1.3. Seller shall provide qualified staff to manage construction as required by the Contract Documents, including:

3.1.4. Seller shall report on the progress of the Construction Project including information on Seller and its Architect's and General Contractor's work, percentage of completion of the Work, current estimates, forecasted contract growth, subcontract buyouts, updated monthly schedules, including projected time to completion and estimated cost to complete the Work, digital progress photographs, logs for Requests for Information, submittals and shop drawings, pending and approved change orders, meetings minutes, and other project metrics as requested by City.

3.1.5. Seller shall maintain systems and equipment. Seller shall provide services and maintain all equipment in accordance with manufactures instructions until City receives and takes over the equipment in the activation phase.

3.2. **Activation/Commissioning /Maintenance Training**

3.2.1. Seller is responsible for performing the requirements of the commissioning process including those responsibilities assigned to subconsultants, subcontractors, vendors, manufacturers, or their representatives. Seller shall insure that all subconsultants, subcontracts or purchase orders for systems, inclusive of all of the system components to be commissioned, include provisions for compliance with the CMA.

3.2.2. Seller shall commission all systems and equipment in order to achieve the following specific objectives:

3.2.2.1. Verify and document that the building enclosure, systems and equipment are documented in the Construction Documents in accordance with the Criteria Package.

3.2.2.2. Verify and document that equipment is designed, installed, started, and operates properly pursuant to the requirements of the Contract and manufacturer's specifications, instructions and recommendations.

3.2.2.3. Verify and document that building enclosure mockups and installation perform as designed and as intended.

3.2.2.4. Identify deficient building enclosure, equipment, systems and installations as early as possible to facilitate timely corrective action minimizing schedule impact.

3.2.2.5. Verify and document that the building enclosure, equipment, and systems receive complete operational checkout by installing subcontractors, vendors and manufacturers.

3.2.2.6. Verify and document building enclosure, equipment and system performance.

3.2.2.7. Verify and validate that City's operating personnel are adequately trained on the Operation and Maintenance of building equipment and systems.

3.2.2.8. Verify Operations and Maintenance Data for systems and equipment is complete and usable, and provided in the format as required by City.

3.2.3. The commissioning process does not reduce the responsibility of Seller, its Architect or subconsultants, General Contractor or its subcontractors, or vendors to perform and complete all work in accordance with the CMA.

3.3. **Final Completion**

3.3.1. Prior to Final Completion, Seller shall submit all Equipment Inventory Sheets.

3.3.2. In advance of Final Completion, Seller shall obtain the Temporary Certificate of Occupancy.

3.3.3. Seller shall demobilize from the Construction Project Site.

3.3.4. In advance of Final Completion, Seller shall assist with move in/fit out of City-furnished FF&E for the entire Construction Project, shall complete all Site work, and equipment, hardware, and software training for City's maintenance staff, and shall deliver to City written copies of all warranties and record and as-built drawing. Seller shall obtain the Final Certificate of Occupancy.

[END OF EXHIBIT B]

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EXHIBIT C

CONSTRUCTION PROJECT BUDGET

[Attached]

6/13/2025

6/16/2025 San Francisco Department of Public Health

EXHIBIT D

CONSTRUCTION PROJECT SCHEDULE

[Attached]

Exhibit D Construction Schedule

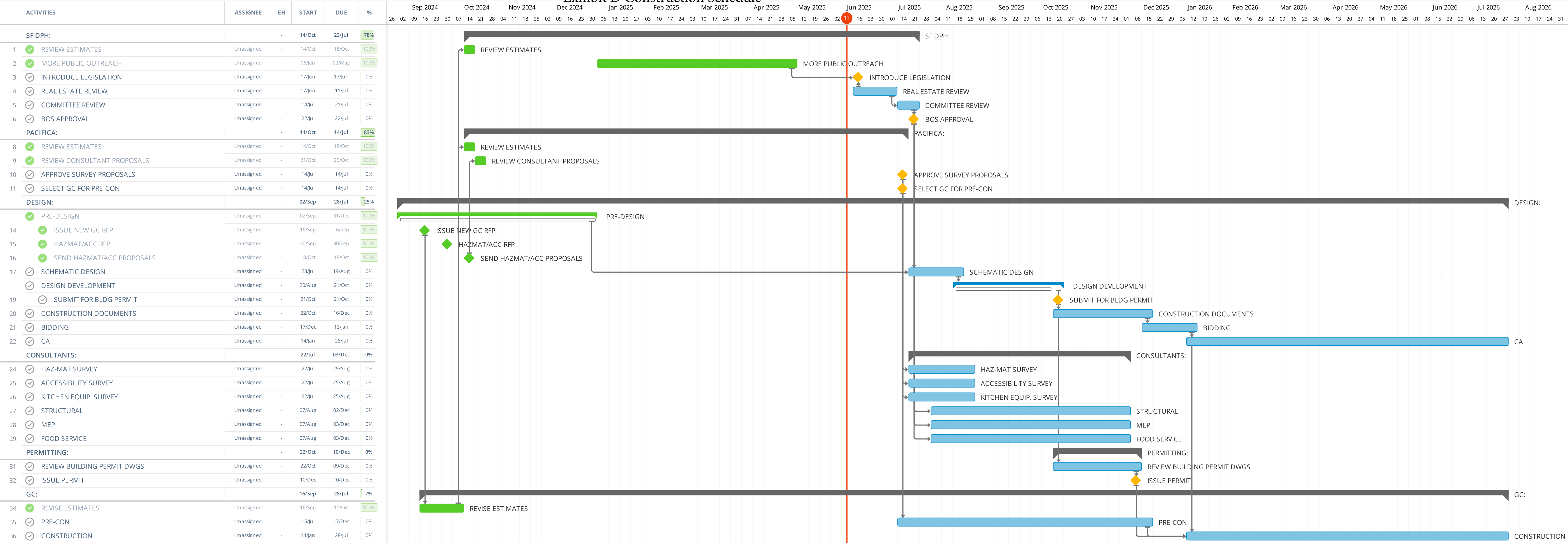


EXHIBIT E

ASSIGNMENT OF CONTRACTS, WARRANTIES, GUARANTIES
AND OTHER INTANGIBLE PROPERTY

THIS ASSIGNMENT is made and entered into as of this _____ day of _____, 2025, (the “**Effective Date**”) by and between PACIFICA SFO LLC, a California limited liability company (“**Assignor**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**Assignee**”).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date, Assignor assigns and transfers to Assignee, and Assignee assumes, all of Assignor’s rights, obligations, claims, title, and interest in and under:

A. all warranties and guaranties, Construction Contracts, including any data, notes, estimates, computations, sketches, photographs, presentations, reports, renderings, drawings, plans (including “as built” plans), specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Assignor or its Contractors, and all work product arising out of the Construction Contracts and all work product made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto (the “**Property**”) including, without limitation, those warranties and guaranties listed in Schedule 1 attached hereto (collectively, “**Warranties**”);

B. any intangible personal property now or hereafter owned by Assignor and used in the ownership, use or operation of the Property, including the Assumed Contracts listed in Schedule 1.

ASSIGNOR AND ASSIGNEE FURTHER AGREE AND COVENANT AS FOLLOWS:

1. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party’s costs and expenses of such litigation, including, without limitation, Attorneys’ Fees.

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

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

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

5. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in Section 17 of the Construction Management Agreement dated as of _____, 2025, between Assignor and Assignee.

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

ASSIGNOR:

PACIFICA SFO LLC

a California limited liability company

By: _____

Name: _____

Title: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,

a municipal corporation

By: _____

Name: Andrico Q. Penick

Title: Director of Property

RECOMMENDED:

DEPARTMENT OF PUBLIC HEALTH

By: _____

Name: Kathy Jung

Title: Director of Facilities and Capital Planning

Title: _____

APPROVED AS TO FORM:

DAVID CHIU, CITY ATTORNEY

By: _____

Name: Vicente P. Reyes

Deputy City Attorney

EXHIBIT F

CITY'S CONTRACTING REQUIREMENTS

1. Non-Discrimination in the City Contracts and Benefits Ordinance

(a) Covenant Not to Discriminate

In the performance of this CMA, Contractor agrees not to discriminate against any employee of, any City employee working with Contractor, or applicant for employment with Contractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts

Contractor shall include in all contracts and subcontracts relating to the Property a nondiscrimination clause applicable to such subcontractor in substantially the form of subsection (a) above. In addition, Contractor shall incorporate by reference in all subcontracts the provisions of subsections 131.2(a), (c)-(k), and (m) and Section 132.3 of the San Francisco Labor and Employment Code and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of the CMA.

(c) Non-Discrimination in Benefits

Contractor does not as of the date of this CMA and will not during the term of this CMA, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in subsection 131.2(b) of the San Francisco Labor and Employment Code.

(d) CMD Form

As a condition to this CMA, Contractor shall execute City's Declaration: Nondiscrimination in Contracts and Benefits form with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (the "**CMD**"). Contractor hereby represents that before execution of the CMA: **(a)** Contractor executed and submitted to the City's

Declaration: Nondiscrimination in Contracts and Benefits form with supporting documentation, and (b) the CMD approved such form.

2. Tropical Hardwood and Virgin Redwood Ban

(a) Except as expressly permitted by the application of sections 802(b) and 803(b) of the San Francisco Environment Code, neither Contractor nor any of its contractors shall provide any items to City in the construction of the Construction Project or otherwise in the performance of this CMA which are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

(b) 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, or virgin redwood wood products.

(c) In the event Contractor fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Contractor shall be liable for liquidated damages for each violation in an amount equal to Contractor's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greatest. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City and County of San Francisco upon demand and may be set off against any monies due to Contractor from any contract with the City and County of San Francisco.

3. Labor Requirements for Construction

(a) Applicable Labor Laws and Agreements. Compensation and working conditions for labor performed or services rendered (excluding professional design services) under the Construction Contracts shall be in accordance with the San Francisco Charter, and applicable sections of the San Francisco Administrative Code, including section 6.22(e). The requirements of this Section 3 (collectively, the "Labor Requirements") shall be included in all Construction Contracts (as applicable), and subcontracts relating to the work, as applicable, unless otherwise agreed to by City. The Construction Contracts shall expressly acknowledge City's right to monitor and enforce the Labor Requirements in all respects and at all times, and to withhold payments when permitted under the provisions of the Labor Requirements.

(b) Prevailing Wages. The Construction Contracts shall require payment of the latest Wage Rates for Private Employment on Public Contracts in the City and County of San Francisco, as determined by the San Francisco Board of Supervisors, as same may be changed during the term of this CMA. Each Contractor shall provide, and shall deliver to City every month during any construction period, certified payroll reports with respect to all persons performing labor in the provision of the work. Copies of the latest prevailing wage rates are on file at the Department of Public Works, the City and County of San Francisco, Bureau Manager, Bureau of Engineering, 49 South Van Ness Avenue, San Francisco, CA, 94103.

(c) Penalties. The Construction Contract shall provide for payment to City back wages due plus fifty dollars (\$50.00), for: (i) each laborer, workman, or mechanic employed in

the provision of the work, for each calendar day or portion thereof during which such laborer, workman, or mechanic is not paid the highest general prevailing rate of wage for the work performed; or (ii) each laborer, mechanic or artisan employed in the provision of the work, for each calendar day or portion thereof during which such laborer, mechanic or artisan is compelled or permitted to work for a longer period than five days (Monday-Friday) per calendar week of eight hours each, and not compensated in accordance with the prevailing overtime standard and rate.

(d) Local Hire, First Source and LBE Requirements. The Construction Contract shall require compliance, as applicable, with the Local Hire, First Source and LBE requirements set forth in Exhibit G of the CMA, unless otherwise agreed to by City.

4. Rights and Remedies During Construction

(a) General. The provisions of the Construction Project Contract shall not limit the duties, obligations, rights and remedies otherwise imposed or available by law or in equity. No action or failure to act shall in any way abridge the rights and obligations of the Parties to the Construction Project Contract, or condone a breach thereunder, unless expressly agreed to by the Parties in writing. All remedies provided in the Construction Project Contract shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, City shall have any and all equitable and legal remedies that it would in any case have.

(b) No Waiver. No waiver of any breach of any provision of the Construction Project Contract shall be held to be a waiver of any other or subsequent breach. The only waiver by City shall be a waiver in writing that explicitly states the item or right being waived.

(c) City's Remedies for False Claims and Other Violations. Under San Francisco Administrative Code section 6.22(m), a Contractor that fails to comply with the terms of the Construction Project Contract, who violates any provision of Local Hire and Prevailing Wages for Construction (San Francisco Administrative Code sections 6.22 through 6.45), submits false claims, or violates against any governmental entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of the Construction Project Contract, may be declared an irresponsible bidder and debarred according to the procedures set forth in San Francisco Administrative Code section 6.80, et seq. Additionally, a Contractor that submits a false claim may be subject to monetary penalties, investigation, and prosecution as set forth in Administrative Code section 6.80, et seq.

(d) Interpretation. The Construction Project Contract shall be interpreted in accordance with the laws of the State of California and the provisions of the City's Charter and Administrative Code and Labor Code.

5. Sunshine Ordinance

Contractor understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the California Public Records Act (California Gov. Code section 7920.000), this CMA and any and all records, information, and materials

submitted to City hereunder are public records subject to public disclosure. Contractor acknowledges that City may disclose any records, information and materials submitted to City in connection with this CMA.

6. MacBride Principles - Northern Ireland

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. City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Contractor acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

7. Conflicts of Interest

Through its execution of this CMA, Contractor acknowledges that it is familiar with the provisions of section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and section 87100 et seq. and section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Contractor becomes aware of any such fact during the term of this CMA, Contractor shall immediately notify City.

8. Notification of Limitations on Contributions

Through its execution of this CMA, Contractor 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 City whenever such transaction would require 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 (a) City elective officer, (b) a candidate for the office held by such individual, or (c) 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 months after the date the contract is approved. Contractor 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. Contractor further acknowledges that the prohibition on contributions applies to each Contractor; each member of Contractor's board of directors, Contractor's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10 percent in Contractor; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126. Contractor further agrees to provide to City the name of each person, entity or committee described above.

9. Compliance with Laws

Contractor shall remain fully informed of and comply with the applicable provisions of the Charter, ordinances and regulations of City and other local agencies having jurisdiction over the work, and all federal and state laws and regulations in any manner affecting the contract documents, the performance of the work, or those persons engaged therein. Contractor shall require compliance with the applicable provisions of the latest laws and requirements, as the same may be amended, updated or supplemented from time to time, of the Code specified in the contract documents, Americans with Disability Act Accessibility Guidelines, CAL-OSHA, the State Division of Industrial Safety of the Department of Industrial Relations, the Division of the State Architect – Access Compliance, the Public Utilities Commission of the State of California, the State Fire Marshal, the National Fire Protection Association, the San Francisco Department of Public Health, state and federal laws and regulations, and of other bodies or officials having jurisdiction or authority over same, and they shall be observed and complied with by Contractor and any and all persons, firms and corporations employed by or under it. City and its agents may at any time, following written notice to Contractor, enter upon any part of the work to ascertain whether such laws, ordinances, regulations or orders are being complied with, provided that City shall have no obligation to do so under this CMA and no responsibility for such compliance. Architect and General Contractor shall comply with the applicable provisions of San Francisco Administrative Code Chapter 6 that are incorporated into the Architect Contract and the Construction Contract, respectively.

10. First Source Hiring Program

Contractor must comply with the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

11. Preservative-Treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

12. Resource Efficient City Buildings and Pilot Projects

Contractor acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 705 relating to green building requirements for the design, construction, and operation of City buildings. Contractor agrees that it shall comply with all applicable provisions of such code sections.

13. Liability for Use of Equipment

City shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by City.

14. Copyright Infringement

Contractor shall indemnify, defend and hold City harmless from and against all claims for infringement of the patent rights, copyright, trade secret, trade name, trademark, service mark, or any other proprietary right of any person or persons in consequence of the use by City of the materials or work provided by Contractor.

15. Warranties

A. Contractor shall provide to Seller, for the benefit of City, written warranties prior to Final Completion in accordance with the following requirements, which Seller shall assign to City. Contractor shall (i) correct all work that is found to be defective or that fails (“Non-conforming Work”) for the Guarantee to Repair Period. Contractor shall replace, repair, or restore to City’s satisfaction any other parts of the work and any other real or personal property that is damaged or destroyed as a result of Non-conforming Work or correction of Non-conforming Work. Contractor shall promptly commence such correction, replacement, repair, or restoration upon notice from City, but in no case later than 10 working days after receipt of such notice; and Contractor shall diligently and continuously prosecute such correction to completion. Contractor shall bear all costs of such correction, replacement, repair, or restoration, and all damages resulting from such Non-conforming Work, including without limitation additional testing, inspection, engineering, and compensation for City’s Representatives’ services and expenses (including City’s expenses at the labor rates included in the contracts between City and City’s testing and inspection services). This subparagraph shall not be interpreted to provide for recovery of attorney’s fees.

B. The term “Guarantee to Repair Period” means a period of two (2) years commencing as follows:

1. For any Work not described as incomplete in the Punch List / Final Completion, on the date of Final Completion.
2. For space beneficially occupied or for separate systems fully utilized prior to Final Completion.

3. For all Work other than described in subparagraphs B.1 and B.2, above, from the date of Final Completion.

C. Contractor's obligation to correct Non-conforming Work shall continue until two years after the date of correction of repaired or replaced items, or such longer period as may be specified in the Contract Documents or mutually agreed to by Contractor and City.

D. If Contractor fails to commence correction of Non-conforming Work or fails to prosecute such correction diligently within 10 working days of the date of written notification from City, City may correct the Non-conforming Work or may remove it and store the salvageable materials or equipment at Contractor's expense. If Contractor does not pay the costs of such removal and storage within 5 working days after written notice, City may sell, auction, or discard such materials and equipment. City will credit Contractor's account for the excess proceeds of such sale, if any. City will deduct from Contractor's account the costs of damages to the Work, rectifying the Non-conforming Work, removing and storing such salvageable materials and equipment, and discarding the materials and equipment, if any. If the proceeds fail to cover said costs and damages, Contractor shall reimburse City such amount upon demand

E. If immediate correction of Non-conforming Work is required for life safety or the protection of property and is performed by City or a separate contractor, Contractor shall pay to City all reasonable costs of correcting such Non-conforming Work. Contractor shall replace, repair, or restore to City's satisfaction any other parts of the Work and any other real or personal property that is damaged or destroyed as a result of such Non-conforming Work or the correction of such Non-conforming Work.

F. This requirement to correct Non-conforming Work and all similar requirements applicable to equipment of subcontractors of any tier or suppliers used in or as a part of the Work (whether on equipment of the nature above specified or otherwise) shall inure to the benefit of City without necessity of separate transfer or assignment thereof.

16. City's Rights as Third-Party Beneficiary of Construction Contracts

Contractor acknowledges and agrees that City is a 3rd Party beneficiary of its Construction Contract with Seller.

EXHIBIT G

LOCAL HIRE, FIRST SOURCE AND LOCAL BUSINESS ENTERPRISE PROGRAM REQUIREMENTS

1. Local Hiring Requirement.

1.1. General Provisions.

- 1.1.1. Seller shall comply with all applicable requirements of the San Francisco Local Hiring Policy for Construction (“Policy”) as set forth in section 6.22(g) of the San Francisco Administrative Code. The provisions of the Policy are incorporated by reference into this CMA. Seller agrees that Seller has had a full and fair opportunity to review and understand the terms of the Policy.
- 1.1.2. Seller shall require the General contractor and all contractors or subcontractors performing construction work on behalf of Seller as part of the Construction Project to comply with all applicable requirements of the Policy.
- 1.1.3. Seller agrees that the Office of Economic and Workforce Development (“OEWD”) will have the authority to enforce all terms of the Policy. Further information on the Policy and its implementation may be found at the OEWD website at: www.workforcedevelopmentsf.org.

1.2. Local Hire Requirements. Seller shall comply with the following:

- 1.2.1. Local Hire by Construction Trade: Mandatory participation level in terms of Project Work Hours within each trade to be performed by Local Residents is 30%, with a goal of no less than 15% of Project Work Hours within each trade to be performed by Disadvantaged Workers.
- 1.2.2. Local Apprentices: At least 50% of the Project Work Hours performed by apprentices within each construction trade shall be performed by local residents, with a goal of no less than 25% of Project Work Hours performed by apprentices within each trade to be performed by Economically Disadvantaged Workers.
- 1.2.3. Construction Contracts: Seller, shall include the terms of this Policy in the contract with the General Contractor and in every construction contract and subcontract entered in to for construction of the Construction Project. Seller shall notify OEWD immediately upon execution of all construction contracts.
- 1.2.4. Preconstruction Meeting: Prior to commencement of construction, General Contractor and all construction subcontractors shall attend a preconstruction meeting convened OEWD staff. Representatives from General Contractor and all construction subcontractors who attend the pre-construction meeting must have hiring authority.

- 1.2.5. Forms and Payroll Submittal: General Contractor and all construction subcontractors shall utilize City's web-based payroll system to submit all of OEWD's required Local Hiring Forms and Certified Payroll Reports. The General Contractor shall submit Local Hiring Forms prior to commencement of construction and within 15 calendars days from award of contract. The General Contractor must submit payroll information on all subcontractors who will perform construction work on the Construction Project regardless of tier and contract amount. The General Contractor and all construction subcontractors shall submit Certified Payroll Reports on a weekly basis.
- 1.2.6. Recordkeeping: General Contractor and all construction subcontractors shall keep, or cause to be kept, for a period of four years from the date of completion of project work, payroll and basic records, including time cards, tax forms, and superintendent and foreman daily logs, for all workers within each trade performing work on the Construction Project. Such records shall include the name, address and social security number of each worker who worked on the covered project, his or her classification, a general description of the work each worker performed each day, the apprentice or journey-level status of each worker, daily and weekly number of hours worked, the self-identified race, gender, and ethnicity of each worker, whether or not the worker was a local resident, and the referral source or method through which the contractor or subcontractor hired or retained that worker for work on the project. General Contractor and all construction subcontractors may verify that a worker is a local resident by following OEWD's domicile policy. All records described in this subsection shall at all times be open to inspection and examination by OEWD.
- 1.2.7. Monitoring. From time to time and in its sole discretion, OEWD may monitor and investigate compliance of General Contractor and all construction subcontractors working on the Construction Project. Contractor shall allow representatives of OEWD, in the performance of their duties, to engage in random inspections of the Site. Contractor and all Subcontractors shall also allow representatives of OEWD to have access to employees of General Contractor and all construction subcontractors and the records required to be maintained under the Policy.
- 1.2.8. Noncompliance and Penalties. Failure of General Contractor and/or its construction subcontractors to comply with the requirements of the Policy may subject General Contractor to the consequences of noncompliance specified in Chapter 82.8(f) of the Administrative Code, including but not limited to the penalties prescribed in Chapter 82.8(f)(2). In the event the General Contractor fails to adhere to the penalties administered by OEWD, Seller will be responsible for penalties for noncompliance. The assessment of penalties for noncompliance shall not preclude City from exercising any other rights or remedies to which it is entitled. Refer to Administrative Code Chapter 82.8(f)(2)(4) for a description of the recourse procedure applicable to penalty assessments under the Policy.

2. First Source Requirements

2.1. General Provisions and Definitions.

2.1.1. Seller shall participate in the Workforce System program managed by the Office of Economic and Workforce Development (“OEWD”) as established by City pursuant to Chapter 83 of the San Francisco Administrative Code (“First Source Hiring Policy”). The provisions of the First Source Hiring Policy are incorporated by reference into this CMA. Seller agrees that Seller has had a full and fair opportunity to review and understand the terms of the First Source Hiring Policy.

2.1.2. Seller shall require the Architect and all contractors or subcontractors performing professional services in excess of \$50,000 on behalf of Seller as part of the Construction Project to comply with all applicable requirements of the First Source Hiring Policy.

2.2. Seller agrees that OEWD will have the authority to enforce all terms of the First Source Hiring Policy. Further information on the First Source Hiring Policy and its implementation may be found at the OEWD website at:
www.workforcedevelopmentsf.org.

2.3. Definitions. For purposes of this section, the following terms shall be defined as follows:

2.3.1. “Entry Level Position” means any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.

2.3.2. “Workforce System” means the First Source Hiring Administrator established by City and managed by OEWD.

2.3.3. “Referral” means a member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a Lessee specified Entry Level Position.

2.3.4. **OEWD Workforce System Participation Requirements.** Architect and all professional services contractors and subcontractors shall notify OEWD’s Business Team of every available Entry Level Position for work performed by the Architect and all professional services contractors and subcontractors in City and provide OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general public. Architect and all professional services contractors and subcontractors shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start date of those individuals hired by the Architect and all professional services contractors and subcontractors no later than 10 business days after date of interview or hire. Architect and all professional services contractors and subcontractors will also provide feedback on reasons as to why

referrals were not hired. Architect and all professional services contractors and subcontractors shall have the sole discretion to interview any Referral by OEWD and will inform OEWD's Business Team why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Architect and all professional services contractors and subcontractors. Failure to comply with the terms of the First Source Hiring Policy may result in penalties as defined in Chapter 83 of the Administrative Code.

3. Local Business Enterprise Program Requirements. City and Seller agree to whenever practical, engage design and/or contracting teams that reflect the diversity of City and, in particular, those firms and residents from City's most disadvantaged neighborhoods (i.e., Chinatown, Western Addition, Tenderloin, South of Market, India Basin, Mission, Bayview Hunter's Point, Visitation Valley, etc.)

3.1. Purpose. Seller agrees to partner with the Contract Monitoring Division ("CMD") to provide Local Business Enterprises ("LBE") with meaningful opportunities to participate in the construction of the Construction Project including but not limited to ensuring that any design team(s) have an LBE architect.

3.2. LBE Participation Goal. Seller agrees to make good faith efforts to award at least 25 percent of the cost of all professional services and 20 percent of construction contracts awarded by contractor(s).

3.3. Prompt Payment. Seller agrees to ensure that prime consultants and prime contractors are paid within 30 days from the date of submittal progress payment request by the prime consultants/contractors to Seller to the extent accepted by Seller. Should there be a dispute related to soft and/or hard costs and the Parties are unable to resolve the matter within 45 days of the initial submittal to Seller by the prime consultants/contractors Seller agrees to pay the prime consultants/contractors whatever is not in dispute on or before the end of such 45-day period.

3.4. Reporting. Beginning as of the Effective Date (as such term is defined in this Agreement) and every quarter thereafter (or earlier if requested by City), Seller shall report in writing to the Director of CMD a summary of Seller's attainment of the LBE Participation Goal.

EXHIBIT F

**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: _____

EXHIBIT G

MEMORANDUM OF AGREEMENT

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, California 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)

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT dated as of _____, 20____, is by
and between _____, a
_____**("Seller")**, and the CITY AND
COUNTY OF SAN FRANCISCO, a municipal corporation (**"City"**).

1. Seller is the owner of certain real property located in the City and County of
San Francisco, California, commonly known as _____,
more particularly described in Exhibit A
attached to and incorporated by this reference in this Memorandum of Agreement (the **"Real
Property"**).

2. Seller and City have entered into that certain unrecorded Agreement of Purchase
and Sale for Real Estate dated as of _____, 20____ incorporated by this reference into
this Memorandum (the **"Agreement"**), pursuant to which Seller agreed to sell, and City agreed
to purchase, the Real Property upon all the terms and conditions set forth in the Agreement.

3. The purpose of this Memorandum of Agreement is to give notice of the
Agreement and the respective rights and obligations of the parties thereunder, and all of the
terms and conditions of the Agreement are incorporated herein by reference as if they were fully
set forth herein.

4. This Memorandum of Agreement shall not be deemed to modify, alter or amend
in any way the provisions of the Agreement. In the event any conflict exists between the terms
of the Agreement and this instrument, the terms of the Agreement shall govern and determine for
all purposes the relationship between Seller and City and their respective rights and duties.

5. This Memorandum of Agreement shall be binding upon, and shall inure to the
benefit of, the parties hereto and their respective legal representatives, successors and assigns.

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

SELLER:

PACIFICA SFO LLC,
a California limited liability company

By: Deepak Israni

Name: _____

Its: President and Managing Partner

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Andrico Q. Penick
Director of Property

Date: _____

[SIGNATURES ON FOLLOWING PAGE]

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)

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 H

**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,

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



601-617 Laguna St.

Department of Public Health

ACQUISITION

BUDGET AND FINANCE COMMITTEE MEETING | JULY 16, 2025



Background

- The Department of Public Health has been seeking to acquire assisted living facilities in an effort to preserve these service in the community and expand the number of assisted living beds in San Francisco.
- In July of 2024, the City acquired from the same seller, Pacifica SFO LLC. 624 Laguna Street, across the Street from 601-617 Laguna Street.
- The Department of Public Works performed a comprehensive assessment of condition of the building and determined there was a seismic deficiency that Seller agreed to address at their sole cost. Seller, agreed to address Cities desire to upgrade seismic, address deferred maintenance and adapt to DPH programming needs at City's cost, to deliver a turn-key building, ready for service.
- Schedule: If approved, we expect Construction to be complete by 3rs quarter of 2026.

City Costs for Acquisition and Construction

- Purchase Price: \$11,030,000
- Construction: \$ 5,978,000
- Construction Soft Costs: \$ 2,162,000
- Project Reserve: \$ 800,000
- Closing Costs: \$ 30,000
- Total Not-to-exceed: \$20,000,000

601 Laguna Street

Presentation to BOS: July 16, 2025



City & County of San Francisco
Department of Public Health



What is an Adult Residential Facility (ARF)?

**Dignified,
24-Hour
Care in a
Homelike
Setting**

- ✓ **Also called assisted living or board and care, ARFs are state-licensed facilities.**
- ✓ **Serve individuals who cannot live independently due to behavioral health or other care needs.**
- ✓ **Residents receive support with:**
 - Meal preparation
 - Housekeeping
 - Hygiene, dressing, bathing
 - Medication reminders



A Critical Opportunity to Preserve and Expand Care

San Francisco faces a shortage of appropriate long-term residential placements – including Adult Residential Facility (ARF) beds – highlighted in the Residential Care and Treatment Workgroup.

This project:

- ✓ Preserves these **critical residential care services** in the community and ensure that they **continue to be a part of** the vibrant Hayes Valley neighborhood.
- ✓ Maintains a longtime **community asset** and provides approximately **40 beds** for people with stable behavioral health conditions.
- ✓ Allows San Francisco to continue to **serve vulnerable residents** in county.



SFDPH Good Neighbor Policy & Outreach



- Robust community engagement with local neighborhood and business groups since the beginning of 2024
- The Good Neighbor policy requires a designated point of contact for neighborhood concerns
- Clear and open dialogue by the provider with neighborhood will ensure a well-managed, respectful environment with 24-hour staffing





**SAN FRANCISCO
PUBLIC DEFENDER**

Greater than one.

QUESTIONS?

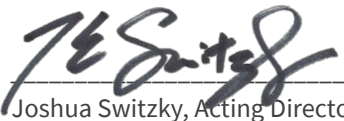




GENERAL PLAN REFERRAL

August 17, 2023

Case No.: 2023-006991GPR
Block/Lot No.: 0806/002, 0807/035
Project Sponsor: City and County of San Francisco Department of Public Health
Applicant: Jeff Suess, Real Estate Division, City and County of San Francisco
Jeff.Suess@sfgov.org
25 van Ness Avenue Suite 400
San Francisco, CA 94102
Staff Contact: Amnon Ben-Pazi – (628) 652-7428
Amnon.Ben-Pazi@sfgov.org

Recommended By: 
Joshua Switzky, Acting Director of Citywide Policy for
Rich Hillis, Director of Planning

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

Project Description

This Project is the acquisition of 601-617 and 624 Laguna Street by the City on behalf of the San Francisco Department of Public Health. The properties are currently operating as a senior care facility known as The Village at Hayes Valley owned by Pacific SFO LLC. Following the acquisition, the existing senior care facility would be consolidated at 624 Laguna Street while 601-617 Laguna Street would house a Dual Diagnosis care facility and transitional housing for at risk youths.

Section 2A.53 of the San Francisco Administrative Code requires a written report from the Planning Department to the Board of Supervisors on the consistency of the proposed Project with the General Plan.

Environmental Review

The Project was determined to be categorically exempt under CEQA Guidelines Section 15301 on 8/10/2023 (Planning Case No. 2023-006991PRJ).

General Plan Compliance and Basis for Recommendation

As described below, the proposed Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the Objectives and Policies of 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.

HOUSING ELEMENT

OBJECTIVE 4.C

DIVERSIFY HOUSING TYPES FOR ALL CULTURES, FAMILY STRUCTURES, AND ABILITIES.

Policy 32

Promote and facilitate aging in place for seniors and multi-generational living that supports extended families and communal households.

The Project would facilitate the continued operation of an existing senior care facility, allowing current residents of the facility to age in place and providing neighborhood residents who may need such care in the future to age in their neighborhood. The Project would also establish a new Dual Diagnosis care facility and new transitional housing for at risk youths. While the existing and proposed uses are classified as institutional, they provide housing for people with specific needs and abilities who may not have the option of remaining in the neighborhood if these facilities did not exist.

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;

601-617 Laguna Street includes a long-vacant ground-floor commercial space, which would be repurposed to provide services associated with the proposed transitional housing. Employees, residents and visitors of the proposed institutional uses would widen the customer base of nearby neighborhood-serving retail establishments. The Project would thus on balance not negatively impact existing and future neighborhood-serving retail uses.

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 conserve the existing senior care facility which provides housing for people with greater care needs. It would protect neighborhood character by allowing residents who require institutional living

arrangements to continue living in the neighborhood, thus preserving the neighborhood's diversity.

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

The Project is the acquisition of existing buildings which do not include affordable housing units. It would have no impact 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 is the acquisition of existing buildings. It would have no impact on commuter traffic.

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 is the acquisition of existing buildings which do not include office uses. It would not cause displacement of businesses in the industrial or service sectors and will have no impact 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 Project is the acquisition of existing buildings that are subject to applicable safety standards. It would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The Project is the acquisition of existing buildings in the Hayes Valley Residential Historic District. The Project would not alter the buildings' exterior, thus it would have no impact 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 is the acquisition of existing buildings. It would have no impact on the City's parks and open space and their access to sunlight and vistas.

Recommendation: 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
Andrico Q. Penick, Director of Real Estate

June 23, 2025

**Department of Public Health
Acquisition of real property
601-617 Laguna 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 – 601-617 Laguna Street

Dear Board Members:

Attached for consideration is an Ordinance authorizing the acquisition of 601-617 Laguna Street, a 10,300 square foot assisted living facility that is licensed for 47 beds. The Department of Public Health (DPH) is seeking to acquire this facility to preserve these services in the community and expand the number of assisted living beds in San Francisco that are accessible to clients of the City's public health system. The facility will serve low-income senior and adult residents who require support with daily tasks.

We are also seeking Chapter 6. Waiver to allow the seller to address deferred maintenance on the building and make modifications to adapt the building for programming by DPH, while they are doing seismic that is their sole responsibility.

DPH and the Real Estate Division (RED) conducted a search of assisted living facilities in San Francisco and determined that this facility is well-suited to DPH's goal of expanding and preserving its portfolio of residential care and treatment beds. This expansion is a major element of Mental Health SF, the City's strategic framework for improving the behavioral health system for San Francisco's most vulnerable residents.

Historically, this building was operated along with an adjacent property at 624 Laguna Street. 624 Laguna Street was acquired by the City in July of 2024, Resolution No. 240477.

The Department of Public Works has completed an assessment of the condition of the building and an environmental review of the site and determined there was a). deferred maintenance on the building, b). a seismic upgrade performed in 1997, that was incorrectly completed and therefore deficient, and c). modifications required for the planned DPH programming in the building.

RED negotiated a price of \$11,030,000 for the acquisition of 601-617 Laguna Street. The Seller agreed to cure the seismic deficiencies at their sole cost and the combination of build out and addressing deferred maintenance on the building is estimated to not exceed \$8,680,000, including \$260,000 in project management fees to the seller and \$30,000 for escrow.

An Appraisal was performed (by a certified Member of the Appraisal Institute), and reviewed by a second appraiser, I concur and confirm that the acquisition price is at or below air 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 Jeff Suess at the Real Estate Division office at 415-554-9860.

Respectfully,



Andrico Q. Penick

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 #: 250704

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 Real Estate Division	realestateadmin@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Pacifica SFP LLC a California limited liability co	TELEPHONE NUMBER 619-296-9000
STREET ADDRESS (including City, State and Zip Code) 1775 Hancock Street, Suite 200 San Diego, CA 92110	EMAIL abandel@pacificacompanies.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 250704
DESCRIPTION OF AMOUNT OF CONTRACT \$20,000,000		
NATURE OF THE CONTRACT (Please describe) Purchase and Sales Agreement Real Property Acquisition for Department of Public Health and Construction Management Agreement (CMA)		

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	Israni	Ashok	Shareholder
2			
3			
4			
5			
6			
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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
39			
40			
41			
42			
43			
44			
45			
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48			
49			
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



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Real Property Acquisition - Pacifica SFO LLC, 601-617 Laguna Street - Not to Exceed
\$20,000,000; Certain Administrative Code Waivers
DATE: June 24, 2025

Ordinance 1) approving and authorizing the Director of Property to acquire certain real property located at 601–617 Laguna Street (Assessor's Block 0806, Lot 002) (the "Property"); 2) approving and authorizing an Agreement of Purchase and Sale for Real Estate (the "Purchase Agreement") for the acquisition of the Property from Pacifica SFO LLC, a California limited liability company ("Seller"), for \$11,030,000 together with a Construction Management Agreement attached as Exhibit E to the Purchase Agreement for the completion of certain improvements and the repair of deficiencies on the Property (the "Project") by Seller for an amount not to exceed \$8,140,000 that includes a construction management fee, an amount not to exceed \$800,000 for the City contingency, and an amount not to exceed \$30,000 for closing costs for a total anticipated not-to-exceed project cost of \$20,000,000; 3) authorizing the Director of Property to make certain modifications to the Purchase Agreement and take certain actions in furtherance of the Purchase Agreement; 4) exempting the Project from contracting requirements in Administrative Code Chapter 6 and Chapter 14B; 5) approving the Seller and its architect, consultants, general contractor, subcontractors, employees and affiliates without competitive bidding, but requiring the payment of prevailing wages, implementation of a local business enterprise utilization program, and compliance with the City's local hire policy and first source hiring ordinance; and 6) placing the Property under the jurisdiction of the Real Estate Division; and affirming the Planning Department's determination under the California Environmental Quality Act, and adopting the Planning Department's finding that the Purchase Agreement, and the transactions contemplated therein, are 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