

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 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 8/14/2025
Its: President and Managing Partner

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: Lesley Giovannelli
Lesley Giovannelli
Acting Director of Property
Date: 8/15/2025

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: Vicente P. Reyes 8/14/2025
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

LEGAL DESCRIPTION

to and

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

ning
e at a
ght
it

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 A

REAL PROPERTY DESCRIPTION

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

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

EXHIBIT 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]

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: _____

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

From: [Chin, Susanna \(ADM\)](#)
To: [Board of Supervisors \(BOS\)](#)
Cc: [Oerth, Sally \(ADM\)](#); [Giovannelli, Lesley \(ADM\)](#); [Suess, Jeff \(ADM\)](#)
Subject: re: Submission - Fully Executed Document for File 250704
Date: Wednesday, December 3, 2025 10:04:49 AM
Attachments: [Purchase Agreement 601-617 Laguna 8.14.2025 Fully Executed.pdf](#)

Dear Board of Supervisors,

Attached for Legistar posting is the fully executed purchase agreement for [File 250704](#), Real Property Acquisition at 601-607 Laguna Street.

Please contact me for any questions.

Thank you,

Thank you,

Susy Chin (*She/Her/Hers*)

Acting Executive Assistant | **Director Sarah (Sally) Oerth**
Executive Secretary | **Deputy Director Lesley Giovannelli**