

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,

as Buyer

For the purchase and sale of

1455 Market Street
San Francisco, California

[DATE]

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

(1455 Market Street, San Francisco)

(APN 3507 / 040)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of [REDACTED], 20[REDACTED] is by and between [REDACTED], a Delaware limited liability company, ("**Seller**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**Buyer**" or "**City**").

IN CONSIDERATION of the payment of the non-refundable sum of [REDACTED] Dollars (\$[REDACTED]) by City, the receipt of which is hereby acknowledged by Seller, and the respective agreements contained herein below, and the terms and provisions of that certain lease with the Seller as Landlord and the City as Tenant dated May 1, 2024 ([as amended, if applicable] the "**City Lease**"), Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Property Included in Sale

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

(a) the real property consisting of approximately 131,147 square feet or 3.01 acres of land, located in the City and County of San Francisco, commonly known as 1455 Market Street, Assessor Parcel Number Block 3507, Lot 040, and more particularly described in Exhibit A attached hereto (the "**Land**");

(b) all improvements and fixtures located on the Land, including, without limitation, that certain twenty-two (22) story office building containing approximately one million one hundred twenty three thousand eight hundred seventy six (1,123,876) square feet of net rentable area (the "**Building**"), as well as all other buildings and structures located on the Land, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Land and its improvements such as heating and air conditioning systems and facilities used to provide any utility, refrigeration, ventilation, garbage disposal or other services and together with all on-site parking (currently, approximately [REDACTED] parking spaces) (collectively, and including 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) the personal property described on Exhibit B attached hereto owned by Seller, and agreed to be assumed by City, located on and used in connection with the Land or Improvements (the "**Personal Property**");

(e) any intangible personal property described on Exhibit B attached hereto now or hereafter owned by Seller and used in the ownership, use or operation of the Land, Improvements, or Personal Property, but excluding the Privileged Information (as defined in the City Lease) (collectively, the "**Intangible Property**");

(f) all contracts, warranties and guaranties described on Exhibit B attached hereto and agreed to be assumed by City pursuant to the terms of the City Lease (the "**Assumed Contracts**") and the leases and occupancy agreements described on Exhibit J attached hereto and agreed to be assumed by City (the "**Leases**").

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

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is [REDACTED]
Dollars (\$ [REDACTED]) PRICE TO BE DETERMINED BY APPRAISER PER SECTION 22.1 AND EXHIBIT K OF THE CITY LEASE] (the "**Purchase Price**").

2.2 Payment

On the **Closing Date** (as defined in Section 7.2, Closing Date), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 8 Expenses and Taxes, and reduced by any credits due City hereunder.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 7.3(f) and 7.3(g) Seller's Delivery of Documents, City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "**Federal Tax Code**"), or Section 18662 of the California Revenue and Taxation Code (the "**State Tax Code**"). Any amount 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.

2.3 Funds

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

2.4 Nominee

City may choose to finance the acquisition of the Property with proceeds from the issuance, sale and delivery of certificates of participation, a financing mechanism that will require fee simple title to be taken in the name of a nominee of City (the "**Nominee**") which, as landlord, will lease the Property to City. Seller hereby consents to the use of a nominee to take title, and further consents to City's assignment to the Nominee of City's rights under this Agreement. Seller will cooperate with City and will execute and deliver to City such documents as are reasonably necessary in connection with such certificates of participation.

[NTD: SELLER NEEDS TO LIMIT CITY'S ABILITY TO HAVE AN UNRELATED THIRD PARTY PURCHASE THE PROPERTY]

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing, Seller shall convey to City, or its Nominee, marketable and insurable fee simple title to the Land, the Improvements, and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit C (the "**Deed**"), subject to the Accepted Conditions of Title (as defined in the City Lease and as otherwise modified pursuant to the terms of this Agreement).

3.2 Title Insurance

(a) Prior to the Effective Date, Seller has delivered to City and City has reviewed a current standard coverage preliminary report on the Property, issued by a title company designated by City and reasonably approved by Seller (the "**Title Company**"), accompanied by copies of all documents referred to in the report (collectively, the "**Preliminary Report**"), and City has notified Seller in writing what exceptions to title, if any, City is willing to accept (provided City has acknowledged that the Accepted Conditions of Title shall not be removed from title).

(b) City may arrange for a Survey (as defined in the City Lease). 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 (defined below) without boundary, encroachment or survey exceptions.

(c) At Closing, delivery of title shall be evidenced by the commitment of the Title Company to issue to City an ALTA or other standard coverage owner's policy of title insurance (the "**Title Policy**") in the amount of the Purchase Price, or in the City's sole discretion, in the total amount of the certificates of participation referred to in Section 2.4 above, insuring fee simple title to the Land, the Appurtenances, and the Improvements in City (or its Nominee) and subject only to the Accepted Conditions of Title. At City's option, if City obtained the Survey, as set forth above, City may elect for the Title Policy to be an ALTA or other extended coverage policy of leasehold title insurance. The Title Policy shall provide full coverage against mechanics' and materialmen's liens arising out of the construction, repair or alteration of any of the Property, and shall contain an affirmative endorsement that there are no violations of restrictive covenants,

if any, affecting the Property and such other special endorsements as City may reasonably request. The Title Policy shall also provide for commercially reasonable reinsurance with direct access with such companies and in such amounts as City may reasonably request.

3.3 Bill of Sale

At the 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 Closing, Seller shall transfer title to the Assumed Contracts and the Intangible Property by an assignment of Intangible Property in the form attached hereto as Exhibit E (the "**Assignment of Intangible Property**").

3.5 Assignment of Leases

At the Closing, Seller shall transfer its title to the Leases by an assignment of leases in the form attached hereto as Exhibit F (the "**Assignment of Leases**"), such title to be free of any liens, encumbrances or interests, except for the Accepted Conditions of Title. City and Seller agree that upon consummation of the Closing, the City Lease will merge with City's title and will terminate by operation of law.

4. CITY'S DUE DILIGENCE

As of the date hereof, Seller has given City and/or its Agents a full opportunity to investigate the Property as provided in the City Lease, and Seller has provided the Due Diligence Information (as defined in the City Lease and excluding any Privileged Information) to City and its Agents pursuant to the terms of the City Lease. City acknowledges and agrees that it has received the Due Diligence Information (as defined in the City Lease) and hereby waives any condition to Closing that may have been predicated upon the City's receipt and/or approval of such Due Diligence Information.

5. ENTRY

At all times prior to the Closing Date, Seller shall afford City and its Agents reasonable access to the Property for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein and the satisfaction of the City Conditions Precedent. City will provide reasonable advance notice to Seller and shall coordinate such entry with Seller's property manager, including reasonable cooperation with any existing occupants, regarding City's proposed entry into the Building. City and its Agents shall observe all legally required COVID-19 safety protocols, if any. City shall not perform any testing without Seller's prior written permission, which shall not be unreasonably withheld (provided that Landlord shall have the right to withhold its approval to any proposed invasive testing in Landlord's reasonable

discretion). If any part of the Building is damaged by the City or its Agents during any such entry, the City will, at no cost to Seller, promptly repair the damage and restore the Building to its previous condition. Seller will coordinate any City access with existing tenant(s) to insure minimal disturbance.

6. CONDITIONS TO CLOSING

6.1 City's Conditions to Closing

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

(a) Subject to the terms of the City Lease and this Agreement, City has reviewed and approved or disapproved all exceptions to title during the Due Diligence Period (as defined in the City Lease). In the event that any new title exception appears on title between the Effective Date and the Closing Date (each, a "**New Exception**"), Title Company will deliver to City a supplement or supplements to the Preliminary Report (a "**Supplemental Report**"). City's review and acceptance of or objection to any New Exceptions in a Supplemental Report shall be in City's sole discretion. If City accepts any New Exceptions, such New Exceptions will be deemed to be included in the Accepted Conditions of Title. If City objects to any New Exceptions, City shall have ten (10) business days from receiving the Supplemental Report to object by written notice to Seller (a "**Title Objection Notice**"). If City does not timely deliver a Title Objection Notice, such New Exceptions shall be deemed disapproved. Following receipt of a Title Objection Notice, Seller shall have three (3) business days to notify City if Seller elects to cure such New Exceptions identified in City's Title Objection Notice on or prior to the Closing Date (a "**Title Objection Response**").

(b) On or before Closing, Seller will have removed or insured (with City having a reasonable approval over the form of on any such insurance/endorsement) over all exceptions in the Preliminary Report except the Accepted Conditions of Title (which shall include title exceptions approved by City during the Due Diligence Period, as well all exceptions Seller expressly notifies City during the Due Diligence Period that it will not remove). Notwithstanding the foregoing, in the event Seller (acting in good faith) fails to remove or insure over any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall not be deemed to be in default hereunder but this Agreement shall terminate and neither party have any further obligations under this Agreement except for those obligations that expressly survive termination.

(c) There have been no materials changes in the Property's compliance with all applicable laws, regulations, permits, and approvals since the Effective Date.

(d) At or before the Closing, Seller has terminated any existing leases, occupancy agreements, contracts, or other agreements that City has not agreed to assume, without liability to City; provided that Seller is able to terminate such existing leases, occupancy agreements, contracts, or other agreements prior to the Closing Date without financial penalty or liability to Seller.

(e) Seller has obtained and delivered to City, before the Closing Date, tenant estoppel certificates in substantially the form attached hereto as Exhibit G (with reasonable modifications made by tenants) or in such other form which a particular tenant is required to execute pursuant to its lease, provided that the form of any tenant estoppel certificate (or Seller estoppel) shall be deemed substantially in the form of that attached hereto as **Exhibit G** even if Paragraphs 10 and 13 thereof have been deleted). Notwithstanding the foregoing, to the extent Seller is unable, despite its commercially reasonable efforts, to obtain estoppel certificates from all tenants at the Property, Seller shall warrant and represent to City, with respect to such missing estoppel certificates, as of the date represented and warranted: (A) that the lease(s) for those tenants are in full force and effect; (B) the amount of the tenants' security deposits; (C) the dates through which rent has been paid; and (D) that, to Seller's knowledge, neither of such tenants nor Seller is in default under the Leases (or noting such default(s)). City shall be obligated to accept such a certification in lieu of any such missing estoppel certificates. Subject to the terms of this Agreement, the representations and warranties in the certificate of Seller shall survive the Closing for the Survival Period (defined below).

(f) Seller is not in material default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct, in all material respects and subject to the provisions of this Agreement, as of the Closing Date. At the Closing, Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 9.1 [Representations and Warranties of Seller] below are true and correct, in all material respects and subject to the provisions of this Agreement, as of the Closing Date.

(g) The physical and environmental condition of the Property is substantially the same on the Closing Date as on Effective Date, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its use as an office building and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other material modification of the zoning classification of, or of any building or environmental code requirements applicable to, the Property.

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

(i) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the purchase contemplated thereby; provided, however, City acknowledges and agrees that its execution of this Agreement shall satisfy the City Condition Precedent set forth in this Section 6.1(i).

(j) Seller has delivered the items described in Section 7.3 below [Seller's Delivery of Documents] on or before the Closing in form and substance satisfactory to City.

(k) Title Company has agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 7.6 below [Title Company as Real Estate Reporting Person]) on or before Closing.

The City Conditions Precedent are solely for the benefit of City. If any City Condition Precedent is not satisfied on or before Closing, City will have the right in its sole discretion either to waive in writing the City Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement. The waiver of any City Condition Precedent will not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of Seller (except as otherwise expressly provided in this Agreement).

6.2 Cooperation with City

Seller will cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any City Conditions Precedent at no out-of-pocket cost to Seller including, without limitation, execution of any documents, applications or permits, which documents, applications or permits shall be subject to commercially reasonable modifications negotiated by Seller and approved by City and shall, in no event, affect the Property until after Closing. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

6.3 Seller Conditions to Closing.

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

(a) City shall not be in material default in the performance of any covenant or agreement to be performed by City under this Agreement, and all of City's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct, in all material respects and subject to the provisions of this Agreement, as of the Closing Date;

(b) City shall have delivered the items described in Section 7.4 below on or before the Closing.

The conditions set forth in this Section 6.3 are solely for the benefit of Seller and may be waived only by Seller. Seller shall at all times have the right to waive any condition. If any of the conditions in this Section 6.3 is not satisfied or has not been so waived by Seller prior to the scheduled Closing Date, Seller shall deliver written notice to City describing the condition that has not been satisfied or waived, and if such condition remains unsatisfied as of the scheduled Closing Date, then, subject to the provisions of Section 12 of this Agreement, if applicable, Seller shall have the right to terminate this Agreement by written notice to City. If Seller terminates this Agreement in accordance with the foregoing, neither party shall have any further rights or obligations under this Agreement, except for those rights or obligations which expressly survive the termination of this Agreement.

7. ESCROW AND CLOSING

7.1 Opening of Escrow

On or before the Effective Date (as defined in Article 14 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

7.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "**Closing**") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company on the date that is forty-five (45) days following the Effective Date (the "**Anticipated Closing Date**") (but in no event later than the earlier of December 31, 2027 and the date which is two hundred fifty-five (255) days after the delivery by City to Seller of the Exercise Note (as defined in Section 22.1 of the City Lease)) , or on such earlier date as City and Seller may mutually agree (the "**Closing Date**"), subject to the provisions of Article 6 [Conditions Precedent]. The Closing Date may not be extended without the prior written approval of both Seller and City. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

7.3 Seller's Delivery of Documents

At or before the Closing, Seller shall deposit with Title Company, through escrow, the following:

- (a) a duly executed and acknowledged Deed;
- (b) a duly executed Bill of Sale;
- (c) Intentionally Omitted;
- (d) four (4) duly executed original counterparts of the Assignment of Leases;
- (e) duly executed tenant estoppel certificates as required pursuant to Section 6.1(d) hereof;
- (f) four (4) duly executed counterparts of the Assignment of Intangible Property;

(g) originals (to the extent existing and within Seller's control) of the Leases and Assumed Contracts not previously delivered to City;

(h) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit H, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;

(i) a properly executed California Franchise Tax Board Form 593 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;

(j) 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;

(k) closing statement in form and content satisfactory to City and Seller; and

(l) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 6.1(f) hereof.

7.4 City's Delivery of Documents and Funds

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

- (a) an acceptance of the Deed executed by City's Director of Property;
- (b) four (4) duly executed original counterparts of the Assignment of Leases;
- (c) four (4) duly executed original counterparts of the Assignment of Intangible Property;
- (d) a closing statement in form and content satisfactory to City and Seller; and
- (e) the Purchase Price, as provided in Article 2 hereof.

7.5 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof. On or before the Closing Date, City shall deliver to the Title Company a statement for delivery to the County Tax Assessor in the form attached as Exhibit I (the "**Property Exemption Notice**"). Upon Closing, the Title Company will

insert the Closing Date in the Property Exemption Notice and send the Property Exemption Notice to the County Tax Assessor in the jurisdiction in which the Property is located.

7.6 Title Company as Real Estate Reporting Person

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

8. EXPENSES AND TAXES

8.1 Rent and Other Apportionments

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

(a) Rent

Rent under the Leases shall be apportioned as of the Closing Date on a cash received basis. No apportionment shall be made with respect to any delinquent rents of any kind receivable from the Leases for any period prior to Closing. With respect to any rent arrearage arising under the Leases, after the Closing, City shall pay to Seller any rent actually collected which is applicable to the period preceding the Closing Date; provided, however, that all rent collected by City shall be applied first to all unpaid rent accruing on and after the Closing Date, and then to unpaid rent accruing prior to the Closing Date. City shall not be obligated to take any steps to recover any rent arrearage; provided, however, Seller will retain all ownership rights relating to any such delinquent rents or income and if City has not collected the same within ninety (90) days from the Closing Date, then Seller may take such action as it deems necessary to collect such delinquent rents or other income, including the commencement of an action against the tenants under the Leases or any other person liable for such delinquent rents, but not including any action for unlawful detainer or other action seeking to terminate such tenant's occupancy of its premises.

(b) Leasing Costs

Seller shall pay all leasing commissions and tenant improvement costs or allowances ("**Leasing Costs**") accrued in connection with the current term of those Leases executed on or before the Closing (including, without limitation, leasing commissions attributable to expansion or extension options contained in any Lease executed prior to the Effective Date which are not exercised until after the Effective Date but prior to Closing) and (ii) City shall pay

for any Leasing Costs relating to or arising from (i) the exercise by any tenant, after the Closing Date, of a renewal, expansion or extension option contained in any of the Leases executed as of the Effective Date and (ii) any New Lease (defined in Section 11.2 below) entered into after the Effective Date with City's approval thereof. If, on the Closing, there are any outstanding or unpaid Leasing Costs which are the responsibility of Seller as set forth herein, then on the Closing City shall be entitled to a credit toward the payment of the Purchase Price at Closing in the amount of such unpaid Leasing Costs, and following the Closing (A) City shall assume and be responsible for the payment of such Leasing Costs to the extent of such credit, and (B) Seller shall assign to City any and all construction contracts relating to such outstanding Leasing Costs.

(c) Other Tenant Charges

Where the Leases contain tenant obligations for taxes, common area expenses, operating expenses or additional charges of any other nature, and where Seller shall have collected any portion thereof in excess of amounts owed to Seller for such items for the period prior to the Closing Date, there shall be an adjustment and credit given to City on the Closing Date for such excess amounts collected. City shall apply all such excess amounts to the charges owed by City for such items for the period after the Closing Date and, if required by the Leases, shall rebate or credit tenants with any remainder. If it is determined that the amount collected during Seller's ownership period exceeded expenses incurred during the same period by more than the amount previously credited to City at Closing, then Seller shall promptly pay the deficiency to City.

(d) Utility Charges

Seller shall use commercially reasonable efforts to cause all the utility meters to be read on the Closing Date and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(e) Security Deposits

City shall be credited and Seller shall be charged with the balance of any unapplied security deposits then held by Seller under the Leases.

(f) Other Apportionments

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

8.2 Closing Costs

City shall pay (a) the cost of the Survey, (b) the premium for the Title Policy and the cost of the endorsements thereto, (c) one half of Title Company's fees, (d) all document recording fees; and (d) City's share of apportionments. Seller shall pay the cost of any transfer taxes applicable to the sale and the sales tax on any Personal Property. 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 Title Company.

8.3 Real Estate Taxes and Special Assessments

At or before the Closing, Seller will pay all general real estate taxes payable for the tax year in which the Closing occurs and all prior years. Seller may file claim with the City and County of San Francisco for a property tax refund for any taxes paid for the period from and after the Closing Date. At or before the Closing, Seller will pay the full amount of any special assessments against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date. Seller will pay all hotel or other taxes applicable to the period prior the Closing Date. General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date.

8.4 Preliminary Closing Adjustment

Seller and City shall jointly prepare a preliminary Closing adjustment on the basis of the Leases and other sources of income and expenses and shall deliver such computation to Title Company prior to Closing.

8.5 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 the 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 Closing.

8.6 Post-Closing Reconciliation

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

8.7 Survival

The provisions of this Section 8 shall survive the Closing for a period of three hundred sixty-five (365) days.

9. REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of Seller

Seller represents and warrants to City as follows. The phrase “to Seller’s Knowledge” used herein shall mean the actual, then current knowledge of the officers of Seller having direct, operational responsibility for the Property, with the express limitation that the knowledge of any contractor or consultant shall not be imputed to Seller, and that none of such officers has made any special investigation or inquiry, and none of such officers has any duty or obligation of diligent investigation or inquiry, or any other duty or obligation, to acquire or to attempt to acquire information beyond or in addition to the current, actual knowledge of such persons.

(a) To Seller’s Knowledge, Seller has not received any written notices from any governmental authority alleging that any condition or other matters with respect to the Property violates 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) that has not been previously cured.

(b) To Seller’s Knowledge, the Leases, Assumed Contracts, Due Diligence Information and Other Information furnished to City contains all of the relevant material documents and information pertaining to the condition and operation of the Property to the extent available to Seller and are and at the time of Closing will be true, correct and complete (in all material respects) copies of such documents in Seller’s possession [and the Leases and Assumed Contracts are and at the time of Closing will be in full force and effect, without default by (or notice of default to) Seller.

(c) To Seller’s Knowledge, no document or instrument that was prepared by Seller and furnished or to be furnished by the Seller to the City in connection with this Agreement contains or will contain any material 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.

(d) 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 for which Seller has not given notice to City.

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

(f) To Seller's Knowledge, there are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property that was not provided to City during the Due Diligence Period. To Seller's Knowledge, Seller has not received or delivered written notice of any ongoing 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.

(g) There is no litigation pending and Seller has not received written notice of any litigation that is threatened, against Seller that arises out of the ownership of the Property or that might materially detrimentally affect the use or operation of the Property for its current purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(h) 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 other than as disclosed by Seller to City during the Due Diligence Period.

(i) Seller is a _____ duly organized and validly existing under the laws of the State of _____ and is in good standing under the laws of the State of _____; this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) 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 the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(k) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct in all material respects as of the Closing Date, to Seller's Knowledge: (i) Seller has not received written notice that the Property is in violation of any Environmental Laws except as described on Schedule 1; (ii) the Property is not now, nor to 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 in violation of Environmental Laws, except as described on Schedule 1 ("**Seller's Environmental Disclosure**"); (iii) during Seller's ownership of the Property, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property except as described on Schedule 1; (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 except as described on Schedule 1, 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 except as described on Schedule 1; 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 except as described on Schedule 1. As used herein, the following terms shall have the meanings below:

(i) **"Environmental Laws"** shall mean any present federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

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

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

(l) At the time of 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 or that have not otherwise been disclosed by Seller to the City. Except as otherwise expressly disclosed to City during the Due Diligence Period, Seller shall cause to be removed as an exception on the Title

Policy or insured (with City having a reasonable approval over the form of any such insurance/endorsement) over all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing.

(m) To Seller's Knowledge, there are no obligations in connection with the Property which will be binding on City after Closing except for the Accepted Conditions of Title (including new title exceptions approved by City pursuant to the terms of this Agreement), the Assumed Contracts, the Leases and any applicable laws or statutes.

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

(o) There are no free rent, operating expense abatements, incomplete tenant improvements, rebates, allowances, or other unexpired concessions (collectively referred to as "Offsets") or any termination, extension, cancellation or expansion rights under any existing or pending Leases (with the exception of those summarized in Schedule 2 attached hereto); and, except as described on Schedule 2, all of the Leases are absolutely net (including the full pass-through of management fees), except for replacement of major capital items, such as roof, foundation and structural components. Seller has paid in full any the Leasing Costs pursuant to Section 8.1(b).

(p) To Seller's Knowledge, the copies of the Leases delivered by Seller to City on or before the commencement of the Due Diligence Period contain all of the information pertaining to any rights of any parties to occupy the Property, including, without limitation, all information regarding any rent concessions, over-standard tenant improvement allowances or other inducements to lease. Except as described on Schedule 2, none of the tenants of the Property has indicated to Seller in writing its intent to terminate its respective Lease prior to expiration of the respective term of such Lease.

(q) Seller represents that it is fully compliant with the California Sales and Use Tax Law and warrants to City that Landlord that it will fulfill its use tax obligations under that law with respect to the subject transaction.

The representations and warranties of Seller set forth in this Section 9.1 (the "**Seller's Surviving Obligations**") shall survive Closing for a period of twelve (12) months ("**Survival Period**"), but not thereafter, it being the intention of the parties that all suits or actions for breach of Seller's Surviving Obligations must be commenced, if at all, within the Survival Period or they shall be forever barred. City must give Seller written notice of any claim City may have against Seller with respect to any of Seller's Surviving Obligations prior to the expiration of the Survival Period. Any such claim which City may have which is not so asserted prior to the expiration of the Survival Period shall not be valid or effective, and Seller shall have no liability with respect thereto. Notwithstanding the foregoing, if, prior to the Closing Date, City or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any material respect (collectively, the "**Representation Matter**"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other

party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. If, prior to the Closing Date, City discovers or is notified of a Representation Matter that has a material, adverse impact on the value of the Property, then City shall have the right, as its sole remedy, to terminate this Agreement by providing written notice thereof to Seller no later than thirty (30) days after City learns or is notified of such Representation Matter. Upon such termination, neither party hereunder shall have any further obligations or liabilities under this Agreement except as specifically set forth herein. If City does not timely terminate this Agreement, then Seller's representations and warranties shall be automatically limited to account for the Representation Matter, City shall be deemed to have waived City's right to pursue any remedy for breach of the representation or warranty made untrue on account of such Representation Matter, and the parties shall proceed to the Closing.

City acknowledges and agrees that neither the trustees, shareholders, members, affiliates, officers, directors, investment managers, employees, partners, agents nor advisors of Seller, assume any personal liability for obligations entered into by or on behalf of Seller, except in the event of fraud or intentional misconduct. Notwithstanding the foregoing, nothing in this Section shall limit potential City claims to disregard Seller's corporate entity or pierce Seller's corporate veil.

Notwithstanding any other provision of this Agreement or any closing document executed by Seller and delivered to City at Closing to the contrary, (i) in no event shall Seller have any liability for lost profits, and (ii) Seller's liability with respect to Seller's Surviving Obligations shall not exceed, in the aggregate, Fifteen Million and No/100 Dollars (\$15,000,000.00); provided that Seller's liability with respect to Seller's Surviving Obligations may exceed, in the aggregate, Fifteen Million and No/100 Dollars (\$15,000,000.00) for any claims caused by Seller's intentional misrepresentation or fraud.

9.2 Representations and Warranties of City

City represents and warrants to Seller that City has the legal power, right, and authority, and has obtained all requisite approvals, to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated by this Agreement.

9.3 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 given or delivered to City pursuant to or in connection with this Agreement and relating to the period prior to the Closing Date. The foregoing indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive for the Survival Period only and Seller shall have no liability with respect to

any suit, claim or action which City may have under this Section 9.3 that is not asserted prior to the expiration of the same.

10. RISK OF LOSS AND POSSESSION

10.1 Risk of Loss

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

(a) If such damage or destruction is fully covered by Seller's insurance except for the deductible amount thereunder, then this Agreement shall remain in full force and effect and City shall acquire the Property upon the terms and conditions set forth herein. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount less any amounts expended by Seller toward the restoration or repair of the Property, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument reasonably 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 Two Million and No/100 Dollars (\$2,000,000.00) (the "**Threshold Damage Amount**") to repair or restore, then the transaction contemplated by this Agreement will be consummated with City receiving a credit against the Purchase Price in an amount reasonably determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage and destruction (up to the Threshold Damage Amount) .

(c) If the cost of such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any material portion of the Property then, City shall have the right, at its election, either to (i) terminate this Agreement in its entirety, or (ii) not terminate this Agreement and purchase the Property. City shall have thirty (30) days after Seller notifies City that an event described in this Subsection (c) has occurred and the estimated cost to repair such damage or destruction to make such election by delivery to Seller of an election notice. The Closing Date shall also be tolled from the date of the event described in this Subsection (c) until Seller provides such notice to City. 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 pursuant to this Subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to the Property, except as otherwise expressly set forth in this Agreement or under the City Lease. If City elects not to terminate this Agreement, at the Closing, City shall receive a credit against the Purchase Price equal to such deductible amount less any amounts expended by Seller toward the restoration or repair of the Property (provided that Seller is not required to make any such restoration or repair and in no event shall such credit exceed the Threshold Damage Amount), and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance or condemnation awards on account of such

damage, destruction or condemnation pursuant to an instrument reasonably satisfactory to City and Seller.

10.2 Insurance

Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a policy or policies of property insurance in amounts equal to the full replacement value of the Improvements and the Personal Property, insuring against all customary insurable risks (provided such policies may contain customary and reasonable sublimits as reasonably approved by the City Risk Manager), including without limitation fire, vandalism, malicious mischief, lightning, windstorm, water, earthquake, flood and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Seller shall furnish City with evidence of such insurance upon request by City.

10.3 Possession

Possession of the Property shall be delivered to City on the Closing Date.

11. MAINTENANCE; CONSENT TO NEW CONTRACTS

11.1 Maintenance of the Property by Seller

Between the date of the Exercise Notice (as defined in Section 22.1 of the City Lease) and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, and shall make all repairs, maintenance and replacements (except material capital improvements) of the Improvements and any Personal Property and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

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

After the Effective Date, Seller shall not enter into any new lease or occupancy agreement ("**New Leases**") or new contract or agreement ("**New Contracts**"), or any amendment of the Assumed Contracts or Leases, 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 Lease or Assumed Contract, without in each instance obtaining City's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed; provided City's prior written consent shall not be required for (i) any lease amendment, sublease or other agreement which Seller is mutually required to execute, and (ii) any contract that Seller will terminate on or before Closing or which Seller can terminate without penalty on no more than thirty (30) days' notice. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all leases and contracts affecting the Property that City does not agree in writing prior to the Closing to assume. Any New Leases and New Contracts that City expressly agrees to assume at Closing will be deemed Leases and Assumed Contracts, respectively.

12. AS-IS SALE.

(a) Subject to the terms of this Agreement, it is the intent of Seller and City that, by the Closing Date, City will have had the opportunity to perform a diligent and thorough inspection and investigation of the Property, either independently or through its Agents. CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS CONVEYING AND CITY IS ACQUIRING SELLER'S INTEREST IN THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS. CITY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND, OTHER THAN THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, THE SUITABILITY FOR CITY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 9.1 (REPRESENTATIONS AND WARRANTIES OF SELLER), SELLER DOES NOT WARRANT THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, ZONING, OR OTHER CONDITIONS OF THE PROPERTY, OR THE SUITABILITY FOR ANY USE, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY APPLICABLE LAWS. IT IS CITY'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING, AND OTHER REGULATIONS AND APPLICABLE LAWS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

(b) As part of its agreement to accept the Property and in its "as is and with all faults" condition, City as of the Closing Date, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, Seller and its Agents, and their respective heirs, successors, legal representatives and assigns, from any and all Losses, whether direct or indirect, known or unknown, or foreseen or unforeseen, that may arise on account of or in any way be connected with (a) the use of the Property by City and its successors and assigns or (b) the physical, geological, or environmental condition of the Property. "Losses" means any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments, and awards and reasonable costs and expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, or contingent or otherwise, including attorneys' fees and costs. In connection with the foregoing release, City, as of the Closing Date, expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

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

(c) NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING PROVISIONS OF THIS SECTION 12 WILL NOT SERVE TO RELEASE SELLER AND ITS AGENTS FROM, AND NO RELEASE IN THIS SECTION 12 APPLIES TO, AND CITY EXPRESSLY DOES NOT WAIVE ANY LOSSES TO THE EXTENT ARISING

FROM (A) SELLER OR ITS AGENT'S FRAUD, (B) ANY MATERIAL BREACH OF ANY COVENANT OR EXPRESS REPRESENTATION OR WARRANTY MADE BY SELLER UNDER THIS AGREEMENT, OR (C) WITH RESPECT TO ANY CLAIM MADE BY ANY THIRD PARTY AGAINST CITY WITH RESPECT TO THE PROPERTY ARISING DURING SELLER'S OWNERSHIP, EXCEPT AS AND TO THE EXTENT CAUSED BY CITY.

13. DEFAULT

13.1 CITY DEFAULT; LIQUIDATED DAMAGES.

In the event the sale of the Property contemplated hereby is not consummated solely because of a default under this Agreement on the part of City, then City agrees to pay to Seller the sum of Two Million Dollars and 00/100 (\$2,000,000.00) as liquidated damages. The parties have agreed that Seller's actual damages, in the event of a default by City, would be extremely difficult or impracticable to determine. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE LIQUIDATED DAMAGES AMOUNT SET FORTH IN THIS SECTION 13.1 HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST CITY, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF CITY. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

INITIALS: Seller _____ City _____

13.2 SELLER'S DEFAULT.

If the sale of the Property is not consummated because of a Seller default under this Agreement, or if a City 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) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller will pay to 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 (in an amount not to exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00)); or (2) continue this Agreement pending City's action for specific performance, which such action must be initiated within one (1) year of the Anticipated Closing Date, after which the City's sole remedy shall be as set forth in clause (1) hereof.

14. GENERAL PROVISIONS

14.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt,

(ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 1455 Market Street Purchase
Facsimile No.: (415) 552-9216

with copy to:

Real Estate & Finance Team Leader

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: [Identify Project/Property]
Facsimile No.: (415) 554-4575

Seller:

With a copy to:

Facsimile No.: ()]

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

14.2 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. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

14.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns. City shall have the right, upon notice to Seller, to assign its right, title and interest in and to this Agreement to the Nominee at any time before the Closing Date.

14.4 Amendments

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

14.5 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 in all material respects as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement including pursuant to Section 9.1), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement.

14.6 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.

14.7 Merger of Prior Agreements

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

14.8 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.

14.9 Interpretation of Agreement

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

14.10 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 the 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 the City a Delinquent Payment, then City will not be in breach or default under this Agreement, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Seller, without interest, late fees, penalties, or other charges, upon Seller coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

14.11 Sunshine Ordinance and Public Announcements

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 the City hereunder 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.

The parties shall reasonably cooperate with respect to any post Closing Date public announcements, provided that there shall be no restrictions on either party to make public announcements.

14.12 Conflicts of Interest

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

14.13 Notification of Prohibition on Contributions

Through its execution of this Agreement, Seller acknowledges its obligations under Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from any department of the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Seller further acknowledges that the (i) prohibition on contributions applies to each Seller; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Seller is contracting is obligated to submit to the Ethics Commission 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.

14.14 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.

14.15 Intentionally Omitted.

14.16 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.

14.17 Effective Date

As used herein, the term "**Effective Date**" means the last 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.

14.18 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.

14.19 Intentionally Omitted.

14.20 Intentionally Omitted.

14.21 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 PAGES]

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

SELLER:

By: _____

Name: _____

Its: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

_____, City Attorney

By: _____

SCHEDULE 1

SELLER'S ENVIRONMENTAL DISCLOSURE

SCHEDULE 2
LEASE INFORMATION

EXHIBIT A

LAND 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 B

**DESCRIPTION OF ACCEPTED PERSONAL AND INTANGIBLE PROPERTY AND
ASSUMED CONTRACTS**

[To be attached prior to execution of this Agreement based on the Intangible Property and Assumed Contracts identified during the Due Diligence Period (as defined in the City Lease)]

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(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

As required under Government Code Section 27281, this is to certify that the interest in real property conveyed by the [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 _____, and Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO,

a municipal corporation

By: _____
[Name]
Director of Property

EXHIBIT A

REAL PROPERTY DESCRIPTION

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

[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 of 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
**ASSIGNMENT OF CONTRACTS,
WARRANTIES AND GUARANTIES
AND OTHER
INTANGIBLE PROPERTY**

THIS ASSIGNMENT is made and entered into as of this ____ day of _____, 20____, by and between _____, a _____ ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under:

A. all warranties and guaranties made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto including, without limitation, those warranties and guaranties listed in Schedule 1 attached hereto (collectively, "**Warranties**");

B. the contracts and agreements relating to the maintenance, repair, or operation of the building located at 1455 Market Street, San Francisco listed in Schedule 2 attached hereto (collectively, the "**Service Contracts**");

C. any other Intangible Property (as defined in that certain Agreement of Purchase and Sale of Real Estate dated as of _____, 20____, between Assignor and Assignee (or Assignee's predecessor in interest) (the "**Purchase and Sale Agreement**").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Except as otherwise set forth in the Purchase and Sale Agreement, Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

2. Except as otherwise set forth in the Purchase and Sale Agreement, effective as of the Effective Date (as defined below), Assignee hereby assumes all of the owner's obligations under the Service Contracts and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

3. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

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

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

6. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

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

[SIGNATURES ON FOLLOWING PAGE]

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

ASSIGNOR:

a _____

By: _____
[NAME]

Its: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

_____, City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

SCHEDULE 1
Warranties

SCHEDULE 2
Schedule of Agreements

EXHIBIT F

ASSIGNMENT OF LEASES

THIS ASSIGNMENT is made and entered into as of this ____ day of _____, 20____, by and between _____, a _____ ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under certain leases executed with respect to that certain real property commonly known as _____ (the "**Property**") as more fully described in Schedule 1 attached hereto (collectively, the "**Leases**"); provided, however, that such assignment, sale and transfer shall not include any rights or claims arising prior to the Assignment Date which Assignor may have against any party under the Leases subject to the terms of the Purchase and Sale Agreement (defined below).

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that, as of the date of this Assignment and the Closing Date, the attached Schedule 1 includes all of the Leases and occupancy agreements affecting any of the Property. As of the date hereof and as of the Closing Date, there are no assignments of or agreements to assign the Leases to any other party.

2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Closing Date and arising out of the landlord's obligations under the Leases.

3. Except as otherwise set forth in the Purchase and Sale Agreement (as defined below), effective as of the Effective Date (as defined below), Assignee hereby assumes all of the landlord's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the landlord's obligations under the Leases.

4. Any rental and other payments under the Leases shall be prorated between the parties as provided in the Purchase Agreement between Assignor, as Seller, and Assignee, as City, dated as of _____ (the "**Purchase and Sale Agreement**").

5. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

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

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

8. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase and Sale Agreement).

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

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

a _____

By: _____
[NAME]

Its: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

_____, City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

EXHIBIT G

TENANT'S ESTOPPEL CERTIFICATE

DATE: _____

TENANT: _____

PREMISES: _____

LEASE DATE: _____

COMMENCEMENT DATE: _____

EXPIRATION DATE: _____

TERM IN MONTHS: _____

DATE RENT AND OPERATING EXPENSE
PARKING: _____

PAYMENTS ARE DUE: _____

OPTIONS: Check if you have any of these
options or rights, and provide details in
Sections 5 or 9 below.

_____ Extension Option

_____ Termination Option

_____ Expansion Option

_____ Purchase Option

CURRENT MONTHLY PAYMENTS: _____

BASE RENTAL: _____

TAXES: _____

OP. EXP. CAP: _____

_____ Check here if you have rental escalations and provide details in Section 6 below:

SECURITY DEPOSIT: _____

THE UNDERSIGNED, AS TENANT OF THE ABOVE REFERENCED PREMISES
("PREMISES") UNDER THE LEASE DATED AS OF THE ABOVE-REFERENCED LEASE
DATE, BETWEEN _____
("LANDLORD") AND TENANT, HEREBY CERTIFIES TO THE CITY AND COUNTY OF
SAN FRANCISCO ("CITY"), AND ITS ASSIGNEES, AS FOLLOWS:

1. Accuracy. All of the information specified above and elsewhere in this Certificate is accurate as of the date hereof.

2. Lease. The copy of the Lease attached hereto as Exhibit A is a true and correct copy of the Lease. The Lease is valid and in full force and effect. The Lease contains all of the understandings and agreements between Landlord and Tenant and has not been amended, supplemented or changed by letter agreement or otherwise, except as follows (if none, indicate so by writing "NONE" below):

3. Premises. The Premises consist of _____, and Tenant does not have any options to expand the Premises except as follows (if none, indicate so by writing "NONE" below):

4. Acceptance of Premises. Tenant has accepted possession of the Premises and is currently occupying the Premises. There are no unreimbursed expenses due Tenant including, but not limited to, capital expense reimbursements other than as follows: _____.

5. Lease Term. The term of the Lease commenced and will expire on the dates specified above, subject to the following options to renew or rights to terminate the Lease (if none, indicate so by writing "NONE" below):

6. Rental Escalations. The current monthly base rental specified above is subject to the following escalation adjustments (if none, indicate so by writing "NONE" below):

7. No Defaults/Claims. To Tenant's knowledge, neither Tenant nor Landlord under the Lease is in default under any terms of the Lease nor has any event occurred which with the passage of time (after notice, if any, required under the Lease) would become an event of default under the Lease. Tenant has no claims, counterclaims, defenses or setoffs against Landlord arising from the Lease, nor is Tenant entitled to any concession, rebate, allowance or free rent for any period after this certification other than as follows: _____

8. No Advance Payments. No rent has been paid in advance by Tenant except for the current month's rent other than as follows: _____.

9. No Purchase Rights. Tenant has no option to purchase, or right of first refusal to purchase, the Premises, the Property or any interest therein (if none, indicate so by writing "NONE" below):

10. Notification by Tenant. From the date of this Certificate and continuing until _____, Tenant agrees to notify City immediately of the occurrence of any event or the discovery of any fact that would make any representation contained in this Certificate inaccurate as of the date hereof or as of any future date.

11. No Sublease/Assignment. Tenant has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises other than as follows: _____.

12. No Notice. Tenant has not received notice of any assignment, hypothecation, mortgage, or pledge of Landlord's interest in the Lease or the rents or other payments payable thereunder, except those listed below (if none, indicate so by writing "NONE" below):

13. Hazardous Materials. Tenant has not used, treated, stored, disposed of or released any Hazardous Materials on or about the Premises or the Property. Tenant does not have any permits, registrations or identification numbers issued by the United States Environmental Protection Agency or by any state, county, municipal or administrative agencies with respect to its operation on the Premises, except for any stated below, and except as stated below no such governmental permits, registrations or identification numbers are required with respect to Tenant's operations on the Premises. For the purposes hereof, the term "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 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; and 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.

14. Reliance. Tenant recognizes and acknowledges it is making these certifications to City with the intent that City, and any of its assigns, will fully rely on Tenant's certifications.

15. Binding. The provisions hereof shall be relied upon and inure to the benefit of the successors, assigns, personal representatives and heirs of Tenant and City.

16. Due Execution and Authorization. The undersigned, and the person(s) executing this Certificate on behalf of the undersigned, represent and warrant, solely in its capacity as an [officer] of Tenant, that they are duly authorized to execute this Certificate on behalf of Tenant and to bind Tenant hereto.

EXECUTED BY TENANT ON THE DATE FIRST WRITTEN ABOVE.

By: _____

Name: _____

Its: _____

EXHIBIT H

**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 _____

EXHIBIT I

**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

EXHIBIT J

LEASES

[To be attached prior to the execution of this Agreement based on the Leases identified during the Due Diligence Period]