

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

THIS ASSIGNMENT is made and entered into as of December 30, 2021, by and between MAHADEVA, LLC, a California limited liability company ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

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

- A. the contracts listed in the attached Schedule 1 (the "**Contracts**")
- B. 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 the attached Exhibit A including, without limitation, those warranties and guaranties listed in the attached Schedule 2 (collectively, "**Warranties**");
- C. any other Intangible Property (as defined in that certain Agreement of Purchase and Sale of Real Estate dated as of August 20, 2021, between Assignor and Assignee (or Assignee's predecessor in interest) (the "**Purchase Agreement**").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

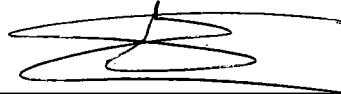
- 1. Assignor will indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Closing Date and arising out of the Assignor's obligations under the Contracts.
- 2. Except as otherwise set forth in the Purchase Agreement, effective as of the Closing Date, Assignee hereby assumes all of the owner's obligations under the 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 Closing Date and arising out of the Assignor's obligations under the Contracts.
- 3. This Assignment will be binding on and inure to the benefit of the parties to this Assignment, their heirs, executors, administrators, successors in interest and assigns.
- 4. This Assignment is governed by and construed in accordance with the laws of the State of California and the City's Charter and Municipal Code.
- 5. This Assignment may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which taken together will 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:

MAHADEVA, LLC,  
a California limited liability company



Shailendra Devdharma

Its: Manager

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation



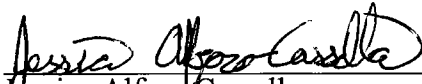
Andrico Q. Penick  
Director of Property

12/22/21

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By:



Jessica Alfaro-Cassella  
Deputy City Attorney

## **EXHIBIT A**

### **REAL PROPERTY DESCRIPTION**

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

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

Commencing at a point on the Southerly line of 16th Street, distant thereon 61 feet Westerly from the Westerly line of Hoff Street; thence Westerly along the Southerly line of 16th Street, 31 feet, 6 inches; thence at a right angle Southerly 97 feet; thence at a right angle Easterly 31 feet, 6 inches; thence at a right angle Northerly 97 feet to the point of commencement.

Being a part of Mission Block No. 40.

**APN: Lot 078, Block 3569**

**SCHEDULE 1**  
**CONTRACTS**

1. Management Agreement dated April 16, 2021

**SCHEDULE 2**  
**WARRANTIES**

None

## MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into as of this April 16, 2021, by and between CSV Hospitality Management, LLC, a California Limited Liability Company, with an office at 212 Sutter Street, 3<sup>rd</sup> Floor, San Francisco, California 94108 ("Manager") and Mahadeva, LLC whose address is at 212 Sutter Street, Floor 3, San Francisco, CA 94108 ("Owner").

**WHEREAS**, Owner desires to engage Manager to operate Owner's Hotel; and

**WHEREAS**, Manager is desirous of operating said Hotel as agent for Owner.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE 1

#### DEFINITIONS

Unless otherwise defined in this Agreement, the following terms shall have the meanings set forth below:

**1.1 "Site"** The parcel or parcels of real estate more particularly described on Exhibit "A", attached hereto.

**1.2 "Hotel"** All Hotels, structures and improvements now located or to be constructed on the site, including ground floor commercial space, and fixtures and equipment attached thereto, forming a part of and necessary for the operation of such Hotels, structures, or improvements as a Hotel (Hotel).

**1.3 "Furnishings and Equipment"** All furniture, furnishings, and equipment (except operating equipment as hereinafter defined) required for the operation of the Hotel as a Hotel in accordance with the standards set forth in this Agreement.

**1.4 "Operating Equipment"** All operating equipment required for the operation of a Hotel, including but not limited to chinaware, glassware, linens, silverware, utensils, uniforms and all other similar items.

**1.5 "Operating Supplies"** Food and beverage and other consumable items used in the operation of a Hotel.

**1.6 "Hotel"** A collective term for the Site, the Hotel, the Furnishings and Equipment, and the Operating Supplies.

**1.7 "Plans and Specifications"** A collective term for all designs, layouts, drawings, plans, Specifications and decor and concept themes pertaining to the Hotel.

## **ARTICLE 2**

### **SCOPE OF AGREEMENT**

**2.1 Subject Matter.** The subject matter of this Agreement is building known as The Eula Hotel located at 3055-3061 Sixteenth Street, San Francisco, CA 94110 (Hotel).

**2.2 Grant to Manager.** Owner, having full right and power to enter into this Agreement for the full term and upon all conditions herein contained, hereby grants to Manager the sole and exclusive right to supervise and direct the management and operation of the Hotel, for the account of the Owner. Manager hereby accepts this grant and agrees that it will supervise and direct the management and operation of the Hotel, all pursuant to the terms of this Agreement. Owner agrees that it will cooperate with Manager in every reasonable and proper way to permit and assist Manager to carry out its duties hereunder.

**2.3 Funding.** Owner agrees to provide all funds, unless otherwise specified in this Agreement, or if initially and throughout the term of this Agreement as shall be necessary to perform and satisfy Owner's covenants and responsibilities under this Agreement.

## **ARTICLE 3**

### **TERMS AND RENEWALS**

**3.1 Effective Date.** The effective date ("Effective Date") of this Agreement shall be July 1, 2021.

**3.2 Initial Term.** This Agreement shall continue for an initial term of one year from the Effective Date, unless sooner terminated as hereinafter provided.

**3.3 Renewal Term.** Manager and Owner shall have renewal term options to extend this Agreement. The first renewal term shall be for a period of one year, or as otherwise agreed to by the parties. Each succeeding term shall be for a period of one year, or as otherwise agreed to by the parties. The renewal terms shall run consecutively, with the first renewal term to be effective immediately following the initial terms. Owner shall be deemed to have exercised its renewal term option for a particular renewal term unless it shall have delivered to Manager written notice to the contrary at least thirty (30) days prior to the date in which such renewal term was to have commenced. Manager shall be deemed to have exercised its renewal term option for a particular renewal term unless it shall have delivered to Owner written notice to the contrary at least thirty (30) days prior to the date in which such renewal term was to have commenced.

## **ARTICLE 4**

## **TITLE TO HOTEL**

4.1 **Ownership.** Upon Manager's request, Owner agrees to furnish Manager copies of all documents by and through which Owner has the right of possession to the Hotel and consequently the ability to enter into this Agreement.

## **ARTICLE 5**

### **MANAGER'S CONTROL**

5.1 **Manager's Control.** Manager shall have uninterrupted control over the day-to-day operations of the Hotel. Manager shall consult with and obtain the approval of the Owner prior to instituting any material modification to the operations of the Hotel.

## **ARTICLE 6**

### **OPERATION OF THE HOTEL**

6.1 **Permits.** Owner shall, at its sole expense, obtain and keep in full force and effect, all necessary licenses and permits, including liquor, bar, restaurant, sign, and Hotel licenses, as may be required for the operation of the Hotel. The Manager shall not jeopardize these licenses or permits through any action by the Manager or the Manager's employees.

6.2 **Equipment and Supplies.** After opening, Manager shall provide, at Owner's expense, all operating supplies and operating equipment as Manager deems reasonably necessary to the normal and ordinary course of operation of the Hotel and to operate the Hotel in accordance with generally accepted industry standards, consistently applied or franchise standards.

6.3 **Personnel.**

(a) Manager, as agent for Owner, will hire, supervise, direct, discharge and determine the compensation, other benefits, and terms of employment of all personnel working at the Hotel, including off-hours back-up and emergency response coverage. Manager's authority as described above is applicable to all employees of the Hotel, including if such employee is also a partner of the Owner. Owner shall not interfere with or give orders of instruction to any personnel employed at the Hotel. Manager shall be solely responsible for and shall reimburse, indemnify, and hold harmless Owner for any and all expenses, costs, liabilities and claims incurred or caused by the gross negligence or willful wrongdoing of Manager's personnel.

(c) The costs, fees, compensation or other expenses of any persons engaged by, Owner or Manager to perform duties of a special nature, directly related to the



Hotel, such as attorneys, independent accountants and the like, shall be a direct expense of Owner and not the responsibility of Manager. Except in the event of emergencies, Manager shall obtain the written approval of the Owner prior to engaging such outside parties.

#### **6.5 Maintenance and Repairs.**

(a) Owner shall be responsible for maintaining the Hotel and its furnishings and equipment in good repair and condition.

(b) To implement Owner's responsibility under Article 6. 5(a) Manager shall, on behalf of Owner, and at Owner's expense, make repairs, replacements, corrections, and maintenance to all items as shall be required in the normal and ordinary course of business, including managing all utility accounts related to the property. Manager is authorized to make and enter, in the name of, for the account of and at the expense of Owner, all such contracts and agreements as are in Manager's opinion necessary for the repair and maintenance of the Hotel and to cause the same to be paid when due, subject to obtaining the Owner's written approval prior to entering into any contracts, or incurring any cost, in excess of \$5,000.00.

#### **6.6 Capital Expenditures.**

(a) Owner recognizes the necessity of replacement of furnishings and equipment and other ordinary capital and replacement items (collectively "Capital Replacements"). Owner agrees to expend such amounts for capital replacement as shall be required in the normal and ordinary course of operation of the Hotel. Design and installation of capital replacements shall be under Manager's supervision as part of its management of the Hotel. Owner and Manager shall, as part of formulating the Annual Budget, determine the amount to be used for capital expenditures during the period of time covered by the Annual Budget and Owner shall provide said funds in a timely fashion.

(b) In the event a condition exists which is of an emergency nature concerning the Hotel and requires immediate repairs to preserve and protect the Hotel and to assure its continued operation, Manager, on behalf of the Owner and at the Owner's expense, is authorized to take all steps and to make all expenditures necessary to repair and correct any such condition whether or not provisions have been made in the applicable yearly budgets for any such emergency expenditures. Notwithstanding any provision to the contrary, if the emergency expenditure is more than \$10,000, the Manager shall first obtain the approval of the Owner.

(c) In the event that, at any time during the term of this Agreement, repairs to or additions, changes, or corrections in the Hotel of any nature are required by any governmental authority or its agent, such necessary action shall be taken by the

Manager to correct this, upon first obtaining the approval of the Owner, all to be at Owner's expense. Such shall be accomplished with as little hindrance to the operation of the Hotel as possible.

## **ARTICLE 7**

### **FISCAL MATTERS**

**7.1 Annual Budget.** Manager shall submit within 45 Days after the effective date of this Agreement, an Annual Budget for Owner's approval which forecasts in detail all operating and other expenditures by month for the fiscal year. Manager shall review and revise the Annual Budget as events warrant and shall keep Owner fully advised as to all major policy matters, decisions, and actions. Subsequent Annual Budgets will be submitted at least thirty (30) days in advance of such subsequent calendar year. Manager shall not be deemed to have made any guarantee, warranty, or representation whatsoever in connection with the Annual Budget and Owner acknowledges that Annual Budgets are intended only to be reasonable estimates. Owner acknowledges that there may be unforeseen expenditures required to complete or correct deficiencies in construction of the Hotel and that any such expenditures shall not be reflected in the Annual Budget.

**7.2 Accounting Matters, Fiscal Periods and Reporting.**

(a) The books and reports reflecting the Hotel operations shall be kept by Manager in accordance with the Generally Accepted Accounting Principle. Hotel System of Accounts All books and records of original entry, including any original entries kept by computer, shall be kept at the Hotel. At the sole expense of the requesting party, Owner or Manager's independent accounting firm shall each have the right and privilege of examining the books and records at any reasonable time.

(b) Manager shall render and deliver, by the 20th day of each month, a monthly general manager's written review of relevant operating matters, and a detailed profit and loss statement showing the results of the previous month, a comparison with the same month of the preceding year, and a year-to-date statement and comparison to the "Annual Budget". All such profit and loss statements will be prepared substantially in accordance with the Generally Accepted Accounting Principles Hotel System of Accounts. At the request of the Owner, Manager shall also promptly deliver a copy of the previous month's statement for each bank account of the Hotel as well as copies of all checks drawn on said accounts.

**7.3 Bank Account.**

(a) Manager shall establish accounts in its name at a bank approved by Owner (the "Bank Account") necessary for the operation of the Hotel. The Bank Account shall be separate and distinct from any other accounts, reserves or deposits required by this Agreement and Manager's and Owner's designees shall be the only parties authorized to draw upon said account.

(b) All sums received from the operation of the Hotel and any and all items paid by Manager arising by virtue of management of the Hotel shall pass through the bank account. Nothing herein contained shall be construed to deprive Manager of the right to maintain separate payroll accounts or petty cash funds and to make payments from them as are customary in the Hotel business.

## **ARTICLE 8**

### **FEEES TO MANAGER**

**8.1 Management Fees.** In consideration of the Management of the Hotel by the Manager, owner agrees to pay to Manager a management fee as hereinafter defined.

The management fee shall be three thousand dollars (\$3,000.00) per month, starting July 1, 2021.

## **ARTICLE 9**

### **DISBURSEMENTS**

**9.1 Priority of Disbursements.** All gross revenues shall be deposited in the operating Bank Account. That shall in turn be disbursed by Manager on a monthly basis, for and on behalf of Owner, funds from the Bank Account in the following order of priority and to the extent available:

- (a) Employee Payroll
- (b) Debt service on all the mortgage debt;
- (c) An amount to satisfy all Hotel operating expenses;
- (d) An amount (annualized) to satisfy property taxes and assessments;
- (e) An amount (annualized) to satisfy fire and extended coverage insurance premiums;
- (f) The management fee to the Manager.

**9.2 Adjustments to Bank Account.** After the disbursements pursuant to 9.1, any excess funds remaining in the Bank Account over the minimum balance shall then be utilized as determined by the Owner. Correspondingly any deficiency in said Bank Account shall immediately be provided by the Owner. Notwithstanding that Manager is authorized and shall make the hereinabove described disbursements in the order set forth and to the extent funds are available, Owner shall solely be liable for all operating and ownership costs.

## **ARTICLE 10**

### **INSURANCE**

**10.1 Insurance Coverage.** Manager agrees to always procure and maintain at Manager's expense and during the term hereof, such insurance as is contained on the insurance schedule set forth in Exhibit "B" attached hereto.

#### **10.2 Insurance Policies.**

(a) All insurance provided for under this Article 10 shall be affected via policies issued by insurance companies of good reputation on and of financial responsibility.

(b) All liability insurance policies shall be written in the name of the Manager with Owner being named thereon as an additional insured.

(c) All liability insurance policies shall be endorsed specifically to the effect that any Hotel, contents, crime, or interruption losses shall be payable to Owner subject to the right of priority any mortgagee. All such policies shall also be endorsed specifically to the effect that such policies shall not be canceled or materially changed without at least thirty (30) days prior written notice to Owner.

(d) Manager shall promptly investigate and report to owner and insurance company involved all accidents, claims or damage relating to the ownership, operation and maintenance of the premises and any damage or destruction to the Hotel.

## **ARTICLE 11**

### **INDEMNITY AND RELATED MATTERS**

#### **11.1 Scope.**

(a) Manager agrees to indemnify and hold the Owner free and harmless (including the payment of reasonable attorney fees) from any liability for injury to persons or damage to property by reason of any cause whatsoever, either in and about the Hotel or elsewhere as a result of the performance of its duties as Manager, its agents, employees or independent contractors is alleged. Owner agrees to indemnify and hold Manager free and harmless (including the payment of reasonable attorney fees) from any liability for injury to persons or damage to property by reason of any cause whatsoever, as a result of the active gross negligence or willful misconduct of the Owner, its agents, employees or independent contractors.

(b) Owner agrees to reimburse Manager upon written demand for any money or other property which the latter is required to pay operating or ownership expenses.

## **ARTICLE 12**

### **DAMAGE TO AND DESTRUCTION OF THE HOTEL**

**12.1 Damage to Hotel - Continuation of Operations.** If the Hotel is damaged due to fire or other casualty but the Owner, in its sole discretion, determines to continue the operation of the Hotel during the restoration period, then this Agreement will continue in full force.

**12.2 Damage to Hotel - Temporary Suspension of Operation.** If the Hotel is damaged due to fire or other casualty and the Owner in its sole discretion, determines to restore or repair such damage, resulting in the temporary suspension of the operations of the Hotel, then this Agreement will be suspended until the Hotel returns to an operational state at which time this Agreement will continue in full force.

**12.3 Damage to Hotel - Termination of Operations.** If the Hotel is damaged due to fire or other casualty and the Owner, in his sole discretion determines not to restore or repair the Hotel and terminates the operation of the property as a Hotel, upon giving written notice to the Manager of its intention to so terminate, this Agreement will be terminated for all purposes.

## **ARTICLE 13**

### **CONDEMNATION**

**13.1 Total Condemnation.** If the whole of the Hotel shall be taken or condemned in any eminent domain, condemnation, compulsory acquisition or like proceeding by any competent authority for any public or quasi-public use or purpose, or if such a portion thereof shall be taken or condemned as to make it imprudent or unreasonable, in Owner's sole opinion to use the remaining portion as a Hotel of the type and class immediately preceding such taking or condemnation, then in either of such event, this Agreement shall cease and terminate as of the date of such taking.

**13.2 Partial Condemnation.** If a part of the Hotel shall be taken or condemned in any eminent domain, condemnation, compulsory acquisition or like proceeding by any competent authority for any public or quasi-public use or purpose, and the Owner in its sole discretion determines to operate the remaining portion as a Hotel, this Agreement shall continue in full force.

## **ARTICLE 14**

### **DEFAULT**

**14.1 Events of Default.** It shall be an event of default hereunder (an "Event of Default") if any one or more of the following events shall occur:

(a) If a party (the "Defaulting Party") fails in any respect to perform any of its obligations and agreements hereunder;

(b) If the Defaulting Party shall voluntarily or involuntarily be dissolved, apply for or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets; file a voluntary petition in bankruptcy or otherwise voluntarily avail itself of any federal or state laws for the relief of debtors; admit in writing its inability to pay its debts as they became due; make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law or file an answer admitting the material allegations of any petition filed against it in any bankruptcy, reorganization or insolvency proceeding; if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of any one or more creditors of such defaulting party adjudicating it as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee or liquidator of all or a substantial part of its assets and such order, judgment or decree shall become final;

(c) If Owner passes title to the Hotel in lieu of foreclosure or if an action to foreclose with respect to the Hotel is instituted against Owner not discharged or dismissed within sixty (60) days thereafter;

(d) If Owner fails to maintain the minimum balance in the Bank Account to assure the continued operation of the Hotel;

(e) If Owner fails to reimburse Manager for any fees, charges, costs or expenses as set forth in this Agreement;

(f) If Manager fails to procure the insurance coverage set forth herein;

(g) If the Manager wrongfully seizes or otherwise fails to timely deliver funds belonging or due to the Owner; and/or

(h) If the Manager is grossly negligent in the performance of its duties.

## **ARTICLE 15**

### **TERMINATION**

**15.1 Voluntary Termination.** This Agreement may be voluntarily terminated as follows:

In the event of a sale of the Hotel by the Owner, this Agreement will be assigned to the new owner. The new owner may elect terminate this Agreement at any time upon ten (10) days written notice to Manager, at no cost to the new owner.

## **15.2 Termination for Cause.**

(a) Upon the occurrence of an Event of Default, this Agreement shall terminate if the defaulting party fails to remedy such Event of Default within ten (10) days after its receipt of notice to remedy; provided that if such Event of Default be of a non-monetary nature and cannot be reasonably cured within said ten (10) day period, then said period shall be deemed extended for such additional period as may be reasonably necessary to promptly cure said Event of Default;

(b) With respect to the occurrence of any Event of Default under 14.01(b) or 14.01(c), this Agreement shall terminate at the election of the non-defaulting party, upon said party giving written notice to remedy;

(c) Notwithstanding 15.02(a), upon the occurrence of an Event of Default under 14.01(d) or 14.01(e), this Agreement shall terminate if Owner fails to remedy such Event of Default within ten (10) days after its receipt of written notice to remedy;

(d) Notwithstanding 15.2(a), upon the occurrence of an Event of Default under 14.01(i) through (h) inclusively this Agreement shall terminate immediately upon Manager receiving written notice from the Owner;

(e) The terms of this Article shall not be deemed to preclude or impair the right of any party to Exercise any right or remedy, whether for damages, injunctions, specific performance, or otherwise, upon any breach of any terms of this Agreement.

## **ARTICLE 16**

This Article is intentionally deleted.

## **ARTICLE 17**

### **NOTICES**

**17.1 Procedure.** All notices or other communication provided for in this Agreement shall be in writing and shall be personally served, or sent by next day courier service at the following addresses until such time as written notice, as provided hereby, of a change of address with the new address to be used thereafter, is delivered to the other party:

Owner: Mahadeva, LLC  
c/o Shailendra Devdhara  
212 Sutter Street, Floor 3  
San Francisco, CA 94108

Manager: CSV Hospitality Management, LLC  
c/o Suresh R. Patel  
212 Sutter Street, Floor 3  
San Francisco, CA 94108

## **ARTICLE 18**

### **RELATIONSHIP, AUTHORITY AND FURTHER ACTIONS**

**18.1 Relationship.** Manager and Owner shall not be construed as joint ventures or partners of each other, and neither shall have the power to bind or obligate the other except as set forth in this Agreement. Manager is, however, clothed with and granted such additional authority and powers as may be necessary to carry out the spirit and intent of this Agreement.

**18.2 Contractual Authority.** Manager is authorized to make, enter into and perform in the name, for the account of, on behalf of and at the expense of Owner any contracts and agreements deemed necessary by Manager to carry out place in effect the terms and conditions of this Agreement, except Manager shall have no right to encumber the title of the Property or enter into any contract or agreement in excess of \$10,000 without the express prior written approval of the Owner.

**18.3 Further Actions.** Owner and Manager agree to take all reasonable actions necessary to comply with the provisions of this Agreement and the intent hereof.

## **ARTICLE 19**

### **APPLICABLE LAW AND DISPUTE RESOLUTION**

**19.1 Scope.** The interpretation, validity and performance of this Agreement shall be governed by the laws of the State of California and the City and County of San Francisco. If any of the terms and provisions hereof shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall in no event affect any of the other terms or provisions hereof, all such other terms and provisions to be valid and enforceable to the fullest extent commended by law provided, however, if in any event any material part of Owner's obligations under this Agreement shall be declared invalid or unenforceable, either party shall have the option to terminate this Agreement.

**19.2 Intentionally Omitted.**

## **ARTICLE 20**

### **SUCCESSORS AND ASSIGNS**



**20.1 Assignment by Manager.** Owner's consent shall not be required for Manager to assign any of its rights or interests as Manager hereunder to any subsidiary or affiliate of Manager, provided that any such assignee agrees to be bound by the terms and conditions of this Agreement. Except as herein above provided, Manager shall not assign or in any manner sell or transfer any of its rights or interests as Manager without the prior written consent of Owner, which shall not be unreasonably withheld.

**20.2 Binding Effect.** The terms, provisions, covenants, undertakings, agreements, obligations and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors in interest and the assigns of the parties hereto with the same effect as it mentioned in each instance where the party hereto is named or referred to.

## **ARTICLE 21**

### **FORCE MAJEURE**

**21.1 Operation of Hotel.** If at any time during the term of this Agreement it becomes necessary in Owner's opinion to cease operation of the Hotel in order to protect the Hotel and/or the health, safety and welfare of the guests and/or employees of the Hotel for reasons of force majeure, such as, but not limited to, acts of war, insurrection, civil strife and commotion, labor unrest or acts of God, then in such event, Manager shall close and cease operation when Owner deems that such may be done without jeopardy to the Hotel, its guests and employees.

**21.2 Extension of Time.** It is further understood and agreed that with respect to any obligation to be performed by a party during the term of this Agreement, such party shall in no event be liable for failure to do so, when prevented by any force majeure cause beyond the reasonable control of such party, such as strike, lockout, breakdown, accident, order or regulation of or by any governmental authority, failure of supply or inability, by the exercise of reasonable diligence, to obtain supplies, parts or employees necessary to perform such obligations or war or other emergency. The time within which such obligation shall be performed shall be extended for a reasonable period of time.

## **ARTICLE 22**

### **GENERAL PROVISIONS**

**22.1 Authorization.** Owner represents that it has full power and authority to execute this Agreement and to be bound by and perform the terms hereof. Manager represents it has full power and authority to execute this Agreement and to be bound by and perform the terms hereof. On request, each party shall furnish the other evidence of such authority.

**22.2 Interest.** Any amount payable to either party which shall not be paid when due shall accrue interest at the rate of twelve percent (12%) per annum.

**22.3 Formalities.** Any change to or modification in this Agreement must be in writing, signed by both parties hereto, and must be set forth as an addendum to this Agreement. This Agreement shall be executed in one or more counterparts, each of which shall be deemed an original. The captions for each Article are intended for convenience only.

**22.4 Documents.** Prior to opening and throughout the term hereof, Owner shall furnish to the extent available, Manager copies of all property tax and insurance statements, all financing documents and such other documents pertaining to the Hotel as Manager shall request.

**22.5 Conformity of Law.** The Manager covenants, with respect to the Hotel, that at Owner's expense, Manager shall use due diligence to conform to every applicable requirement of law or duly constituted authority, and to the applicable requirements of all carriers of insurance on the Hotel, including, but not limited to, requirements pertaining to the health, welfare, or safety of employees or the public, such as adequate rest room facilities, fire exits, exit signs, safe electric wiring and elevators. The Manager shall, at Owner's cost and expense, make such improvements or installations as may be necessary to satisfy this requirement and shall, at all times during the term, promptly comply with all such requirements either now or hereafter in effect and whether now or hereafter applicable for any reason whatsoever. Anything contained herein to the contrary notwithstanding, should the Manager use the Hotel for any purposes other than the purposes as are normally incidental to such uses, or should the Manager permit any area of the Hotel to remain vacant while such areas are useable for such purposes, the Manager shall, at Owner's expense, cause the Hotel to conform to any additional requirements of law, duly constituted authorities, carriers of insurance or such other similar organization applicable to the Hotel solely because of such other use, or such nonuse of the Property.

**22.6 State and Local Law.** Manager shall use due diligence to prevent the Hotel from being used for any unlawful purpose and shall at all times comply with the laws and the rules and regulations of the applicable governmental bodies and fire inspection and rating bureaus relating to the use of the Hotel, the cost and expense of such complications to be the responsibility of Owner.

**22.7 Payment of Prevailing Wages.**

(a) **Covered Services.** Services to be performed by Manager under this Agreement may involve the performance of trade work covered by the provisions of Section 6.22(e) [Prevailing Wages] of the Administrative Code or Section 21C [Miscellaneous Prevailing Wage Requirements] (collectively, "Covered Services"). The provisions of Section 6.22(e) and 21C of the Administrative Code are incorporated as provisions of this Agreement as if fully set forth herein and will apply to any Covered Services performed by Manager and its subcontractors. For the current Prevailing Rate of Wages, see [www.sfgov.org/olse](http://www.sfgov.org/olse) or call City's Office of Labor Standards Enforcement at 415-554-6235.

(b) Subcontract Requirements. As required by Section 6.22(e)(5) of the Administrative Code, Manager shall insert in every subcontract or other arrangement, which it may make for the performance of Covered Services under this Agreement, a provision that said subcontractor shall pay to all persons performing labor in connection with Covered Services under said subcontract or other arrangement not less than the highest general prevailing rate of wages as fixed and determined by the Board of Supervisors for such labor or services. Each subcontract will name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61.

(c) Posted Notices. As required by Section 1771.4 of the California Labor Code, Manager shall post job site notices prescribed by the California Department of Industrial Relations ("DIR") at all job sites where services covered by Chapter 6.22 are to be performed.

(d) Remedies. Should Manager, or any subcontractor who shall undertake the performance of any Covered Services, fail or neglect to pay to the persons who perform Covered Services under this Contract, subcontract or other arrangement for the Covered Services, the general prevailing rate of wages as herein specified, Manager shall forfeit, and in the case of any subcontractor so failing or neglecting to pay said wage, Manager and the subcontractor shall jointly and severally forfeit, back wages due plus the penalties set forth in Administrative Code Section 6.22 (e) and/or California Labor Code Section 1775.

## **22.8 Nondiscrimination Requirements.**

(a) Nondiscrimination in Contracts. Manager shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Manager shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Manager is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(b) Nondiscrimination in the Provision of Employee Benefits. Manager does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Agreement effective the day and year first above written.

OWNER:

Mahadeva, LLC  
A California Limited Liability Company

By: 

Shailendra Devdhara  
It's Managing Member

MANAGER:

CSV Hospitality Management, LLC  
A California Limited Liability Company

By: 

Suresh R. Patel  
It's President

## **EXHIBIT A**

### **REAL PROPERTY DESCRIPTION**

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

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

Commencing at a point on the Southerly line of 16th Street, distant thereon 61 feet Westerly from the Westerly line of Hoff Street; thence Westerly along the Southerly line of 16th Street, 31 feet, 6 inches; thence at a right angle Southerly 97 feet; thence at a right angle Easterly 31 feet, 6 inches; thence at a right angle Northerly 97 feet to the point of commencement.

Being a part of Mission Block No. 40.

**APN: Lot 078, Block 3569**

**EXHIBIT B**  
**INSURANCE COVERAGE**

Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than one million dollars (\$1,000,000) each accident, injury, or illness.

Commercial General Liability Insurance with limits not less than one million dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

Commercial Automobile Liability Insurance with limits not less than one million dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

**Additional Requirements for General and Automobile Coverage.**

Commercial General Liability and Commercial Automobile Liability insurance policies shall:

- (a) Name as Additional Insured Owner and its officers, agents and employees.
- (b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

**Additional Requirements for All Policies.** All policies shall be endorsed to provide at least thirty (30) days' advance written notice to Owner of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to Owner's address for notices pursuant to Article 15.

**Required Post-Expiration Coverage.** Should any of the insurance required hereunder be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the term hereof give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

**General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs.** Should any of the insurance required hereunder be provided under a form of coverage that includes a general annual aggregate limit or

provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

**Evidence of Insurance.** Before commencing any operations under this Agreement, Manager shall furnish to Owner certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to Owner, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

**Effect of Approval.** Approval of any insurance by Owner shall not relieve or decrease the liability of Grantee hereunder.

**Insurance for Subcontractors and Evidence of this Insurance.** If a subcontractor will be used to complete any portion of this agreement, Manager shall ensure that the subcontractor shall provide all necessary insurance and shall name the Owner, its officers, agents, and employees and Manager listed as additional insureds.

**Worker's Compensation.** The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the Owner for all work performed by the Contractor, its employees, agents and subcontractors.