

File No. 230740

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Homelessness and Behavioral Health Select Date: July 14, 2023

Board of Supervisors Meeting: _____ Date: _____

Cmte Board

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- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
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- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- DRAFT Purchase and Sale Agmt
- PLN GPR 050823
- HSH PPT 070723
- _____
- _____
- _____
- _____

Prepared by: Stephanie Cabrera

Date: July 5, 2023

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Purchase of Real Property - Greenseed Folsom Land LLC - 1174-1178 Folsom Street and
2 663 Clementina Street - Homelessness and Supportive Housing - Not to Exceed
3 \$27,225,000]

4 **Resolution 1) approving and authorizing the Director of Property, on behalf of the**
5 **Department of Homelessness and Supportive Housing (“HSH”), to acquire certain**
6 **property located at 1174-1178 Folsom Street and 663 Clementina Street (“Property”)**
7 **for \$27,150,000 plus an estimated \$75,000 for typical closing costs, for a total**
8 **anticipated amount of \$27,225,000; 2) approving and authorizing an Agreement of**
9 **Purchase and Sale for Real Estate for the acquisition of the Property from**
10 **Greenseed Folsom Land LLC (“Purchase Agreement”), which includes a liquidated**
11 **damages clause of up to \$2,700,000 in case of default by the City; 3) authorizing the**
12 **Director of Property to execute the Purchase Agreement, make certain**
13 **modifications, and take certain actions in furtherance of this Resolution and the**
14 **Purchase Agreement, and to authorize the Director of Property to enter into**
15 **amendments or modifications to the Agreement that do not materially increase the**
16 **obligations or liabilities to the City and are necessary to effectuate the purposes of**
17 **the Agreement or this Resolution; 4) affirming the Planning Department’s**
18 **determination under the California Environmental Quality Act; and 5) adopting the**
19 **Planning Department’s findings that the Purchase Agreement, and the transaction**
20 **contemplated therein, is consistent with the General Plan, and the eight priority**
21 **policies of Planning Code, Section 101.1.**

22

23 WHEREAS, HSH’s mission is to prevent homelessness when possible and to
24 make homelessness a rare, brief, and one-time experience in San Francisco through the
25 provision of coordinated, compassionate, and high-quality services; and

1 WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the
2 Board of Supervisors and Mayor Breed declared a shelter crisis and affirmed San
3 Francisco’s commitment to combatting homelessness and creating or augmenting a
4 continuum of shelter and service options for those experiencing homelessness; and

5 WHEREAS, Proposition C (2018) (Gross Receipts Tax for Homelessness
6 Services (“Prop C”), passed by San Francisco voters in November 2018, created the
7 Homelessness Gross Receipts Tax to fund the Our City, Our Home (“OCOH”) Fund, in
8 order to expand and be complementary to existing funding and strategic efforts to prevent
9 and end homelessness for San Francisco residents; and

10 WHEREAS, Permanent supportive housing is the most effective, evidence-based
11 solution to ending chronic homelessness and also prevents new incidents of homelessness
12 among highly vulnerable people with long experiences of homelessness; and

13 WHEREAS, In July 2020, Mayor Breed announced her Homelessness Recovery
14 Plan, which included the goal of acquiring and operating 1,500 new units of Permanent
15 Supportive Housing over the next two years; and

16 WHEREAS, As of December 31, 2022, the City had more than doubled this goal
17 with 3,081 units of site-based and scattered site PSH that were active or under contract
18 with a non-profit provider since July 2020; and

19 WHEREAS, In April 2023 HSH released the five-year strategic plan “Home By the
20 Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco” which
21 calls for 3,250 new units of permanent supportive housing to meet the goals set out in the
22 plan; and

23 WHEREAS, The OCOH Oversight Committee recommended in its 2021-2022
24 Investment Plan that the City use Prop C funds to acquire and develop new permanent
25 supportive housing units for adults, families, and transitional age youth; and

1 WHEREAS, The Property includes the real property and a 42-unit apartment
2 building, consisting of office space, commercial space, storage space, community spaces,
3 and laundry room located at 1174-1178 Folsom Street and 663 Clementina Street, as well
4 as certain improvements, appurtenances, personal property, and intangible property
5 described in the Purchase Agreement; and

6 WHEREAS, Upon acquisition of the Property, the City intends to use the Property
7 for permanent supportive housing for young adults exiting homelessness; and

8 WHEREAS, HSH anticipates using Prop C funding to supplement and match any
9 Project Homekey funding award, if applicable; and

10 WHEREAS, In accordance with California Health and Safety Code, Section
11 50675.1.3, the California Department of Housing and Community Development
12 (“Department”) issued a Notice of Funding Availability (“NOFA”) dated March 29, 2023, for
13 Round 3 of the Homekey Grant program; and

14 WHEREAS, HSH received authorization from the Board of Supervisors to submit
15 an application to the Department for a total amount not to exceed \$14,720,000, or the
16 maximum award amount allowable under the NOFA for the Property, a copy of this
17 Resolution and NOFA is on file with the Clerk of the Board of Supervisors in File No.
18 230506; and

19 WHEREAS, The City, through HSH and the Real Estate Division, and in consultation
20 with the Office of the City Attorney, has negotiated the Purchase Agreement to acquire the
21 Property from Greenseed Folsom Land LLC for \$27,150,000 (“Purchase Price”), plus an
22 estimated \$75,000 for typical closing costs, and including a liquidated damages clause of up
23 to \$2,700,000 in case of default by the City, substantially in the form approved by the Director
24 of Property and the HSH Executive Director and on file with the Clerk of the Board of
25 Supervisors in File No. 230740, incorporated herein by reference; and

1 WHEREAS, The Director of Property has determined the Purchase Price to be at or
2 below fair market value; and

3 WHEREAS, The Purchase Agreement will not become effective until the Board of
4 Supervisors and the Mayor approve this Resolution, in their sole and absolute discretion; and

5 WHEREAS, The Planning Department, by letter dated May 8, 2023, (“Planning
6 Letter”) has determined that the City’s proposed acquisition of the Property is not defined
7 as a project under the California Environmental Quality Act (“CEQA”) Guidelines, Sections
8 15378 and 15060(c)(2) (“CEQA Determination”), and is consistent, on balance, with the
9 General Plan, and the eight priority policies of Planning Code, Section 101.1 (“General
10 Plan Findings”), and a copy of said Planning Letter is on file with the Clerk of the Board of
11 Supervisors in File No.230740 and is incorporated herein by reference; now, therefore, be
12 it

13 RESOLVED, That in accordance with the recommendations of the Executive
14 Director of HSH and the Director of Property, the Board of Supervisors approves the
15 Purchase Agreement presented to the Board, and authorizes the Director of Property to
16 acquire the Property; and, be it

17 FURTHER RESOLVED, That, in accordance with the recommendations of the
18 HSH Executive Director and the Director of Property, the Board of Supervisors approves
19 the Purchase Agreement, including the liquidated damages clause in case of default by
20 City, and approves and authorizes the HSH Executive Director and the Director of Property
21 to take all actions necessary or appropriate to acquire the Property and effectuate the
22 Purchase Agreement and this Resolution; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors approves the Director of
24 Property (or the Director’s designees), in consultation with the HSH Executive Director and
25 the Office of the City Attorney, to enter into any additions, amendments, or other

1 modifications to the Purchase Agreement and any other documents or instruments
2 necessary in connection therewith (including but not limited to the exhibits and ancillary
3 agreements attached to the Purchase Agreement), that the Director of Property determines
4 are in the best interests of the City, do not materially decrease the benefits to the City with
5 respect to the Property, do not materially increase the obligations or liabilities of the City,
6 are necessary or advisable to complete the transaction contemplated in the Purchase
7 Agreement, and that effectuate the purpose and intent of this Resolution, such
8 determination to be conclusively evidenced by the execution and delivery by the Director of
9 Property of any such additions, amendments, or other modifications; and, be it

10 FURTHER RESOLVED, The Board of Supervisors affirms the Planning
11 Department’s CEQA Determination and General Plan Findings, for the same reasons as
12 set forth in the Planning Letter, and hereby incorporates such findings by reference as
13 though fully set forth in this Resolution; and, be it

14 FURTHER RESOLVED, That approval of the Purchase Agreement shall not be
15 construed as approval of any change in use or new project on the Property; the City will
16 conduct environmental review of any new uses and/or project, following further design
17 development and study under CEQA, and retains absolute discretion to: 1) modify potential
18 future projects to mitigate significant adverse environmental impacts, 2) select feasible
19 alternatives which avoid significant adverse impacts, 3) require the implementation of
20 specific measures to mitigate the significant adverse environmental impacts, 4) reject
21 proposed projects if the economic and social benefits of said project do not outweigh
22 otherwise unavoidable significant adverse impacts of the project, or 5) approve future
23 projects upon a finding that the economic and social benefits of said project outweigh
24 otherwise unavoidable significant adverse impacts; and, be it



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 230740

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Dylan Schneider	628-652-7742
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
HSB Homelessness and Supportive Housing	dylan.schneider@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Greenseed Folsom Land LLC	TELEPHONE NUMBER 212.218.5055
STREET ADDRESS (including City, State and Zip Code) 2 Sound View Drive, Greenwich, CT. 06830	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 230740
DESCRIPTION OF AMOUNT OF CONTRACT \$27,225,000		
NATURE OF THE CONTRACT (Please describe) Purchase of the property at 1174-78 Folsom and 663 Clementina Street.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Bucci	John	Other Principal Officer
2	Mitchell	Matthew	Other Principal Officer
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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<input type="checkbox"/>	Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.		

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
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RECOMMENDED:

 /s/
Shireen McSpadden
Homelessness and Supportive Housing
Executive Director

 /s/
Andrico Q. Penick
Real Estate Division
Director of Property

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

GREENSEED FOLSOM LAND LLC, a Delaware limited liability company,

as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

1174-1178 Folsom Street and 663 Clementina Street
San Francisco, California

_____, 2023

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(1174-1178 Folsom Street and 663 Clementina Street,
San Francisco, CA)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this “**Agreement**”), dated for reference purposes only as of _____, 2023, is by and between GREENSEED FOLSOM LAND LLC, 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 Ten Dollars and No/100 (\$10.00) by City, the receipt of which is hereby acknowledged by Seller, and the respective agreements contained hereinbelow, 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 8,000 square feet of land, located in the City and County of San Francisco, commonly known as the OME Apartments located at 1174-1178 Folsom Street and 663 Clementina Street, Assessor Parcel Number Block 3730, Lots 408 through 410, and more particularly described in the attached Exhibit A (the “**Land**”);

(b) all improvements and fixtures located on the Land (other than those owned by any tenant), including, without limitation, that certain apartment building consisting of 42 studio apartment dwelling units, second floor office space, ground floor commercial space, basement office/storage, lobbies, community room/outdoor space, and laundry room, as well as all other buildings and structures located on the Land, all apparatus, equipment and appliances (other than those owned by any tenant) 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 any and all on-site parking (currently 0 parking spaces) (collectively, the “**Improvements**”);

(c) any and all transferable 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 Leases (as defined in Section 5.2);

(e) all tangible personal property owned by Seller, and accepted by City, located on or in or used in connection with the Land or Improvements as described in Exhibit B attached hereto (the “**Personal Property**”). If City requests that Seller remove any existing

personal property owned by Seller located on or in or used in connection with the Land, Appurtenances, or Improvements (other than appliances in residential units), Seller shall remove such personal property prior to the Closing Date (as defined in Section 6.2 (Closing Date)). Unless City has requested such removal, Seller shall not remove any Personal Property subsequent to the Effective Date; and

(f) to the extent assignable, any intangible personal property now or hereafter owned by Seller and used in the ownership, use or operation of the Land, Improvements, Appurtenances, or Personal Property (excluding cash and receivables), including, without limitation, the right to use the name “OME Apartments” and any derivation thereof, and any other trade name now used in connection with the Land or Improvements, and, to the extent expressly approved by City pursuant to this Agreement, any contract rights or other agreements or rights relating to the ownership, use and operation of the Land, Improvements or Personal Property or any of the foregoing (collectively, the “**Intangible Property**”).

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 Twenty-Seven Million One Hundred Fifty Thousand and no/100 Dollars (\$27,150,000) (the “**Purchase Price**”).

2.2 Deposit

Within ten (10) business days following the later to occur of the Effective Date (as defined in Section 11.17 (Effective Date) below) or the Homekey Award Date (as defined in Section 2.5 (Project Homekey) below), City will deliver to the Title Company (as defined in Section 3.2 (Title Insurance) below), as escrow agent, Two Million Seven Hundred Thousand and no/100 Dollars (\$2,700,000.00) as an earnest money deposit applicable to the Purchase Price (the “**Deposit**”). If City elects, the Title Company will deposit the Deposit into an interest-bearing account at a bank or financial institution approved by City in writing, and the term “Deposit” will include any interest earned thereon. Unless this Agreement is terminated and the Deposit disbursed as provided in this Agreement, the Deposit will be applied to the Purchase Price at Closing. If City terminates this Agreement for failure of any condition precedent under this Agreement, then City and Seller will equally share all title fees and escrow cancellation fees and Seller and City will instruct the Title Company to immediately return the Deposit to City. If the sale of the Property is not consummated because of a City default, then City will pay all title fees and escrow cancellation fees and Seller and City will instruct the Title Company to immediately release the Deposit to Seller in accordance with Section 6.8 (City Default and Liquidated Damages) below. If City terminates this Agreement due to a Seller default, then

Seller will pay all title fees and escrow cancellation fees and Seller and Buyer will instruct the Title Company to immediately return the Deposit to City.

Upon payment of the Deposit to the Title Company, as escrow agent, in accordance with this Section, Seller will not enter into any new leases or occupancy agreements at the Property without City's approval or deemed approval as provided in this Section.

2.3 Payment

(a) On the Closing Date (as defined in Section 6.2 (Closing Date)), City will pay the Purchase Price, adjusted pursuant to the provisions of Article 7 (Expenses and Taxes), and reduced by any credits due City hereunder.

(b) Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3(h) and 6.3(i) (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 will be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein will not be excused or otherwise affected thereby.

2.4 Funds

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

2.5 Project Homekey

Seller acknowledges that City intends to apply for funding from the State of California through the State of California's Project Homekey program ("**Project Homekey**") to fund all or a portion of the Purchase Price to support the acquisition of the Property. City agrees to keep Seller informed to the extent possible on the Project Homekey process, including the date City submits any application associated with the Project and any meaningful feedback received during the application process. Seller agrees to reasonably cooperate with City during Project Homekey application process, at no cost to Seller.

If City is successful in its Project Homekey application, the date upon which City is formally notified of its award under Project Homekey will be referred to as the "**Homekey Award Date**." The date upon which Project Homekey funds are transferred into escrow for the Property is referred to as the "**Homekey Funding Date**." If City is unsuccessful in its application for Project Homekey funding, (i) City may terminate this Agreement without penalty, or (ii) Seller and City may agree (in the sole and absolute discretion of each of them) to an extension to this Agreement to allow for a subsequent Project Homekey application or other funding source.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing, Seller will 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 Due Diligence Agreement and Permit to Enter Property by and between Seller and City dated as of January 3, 2023 (the “**Due Diligence Agreement**”)).

3.2 Title Insurance

Delivery of title in accordance with the preceding Section will be evidenced by the commitment of Chicago Title Company (the “**Title Company**”) to issue to City, or its nominee, an ALTA extended coverage owner's policy of title insurance (Form ALTA 2006 – updated 6/17/2006) (the “**Title Policy**”) in the amount of the Purchase Price, insuring fee simple title to the Land and the Improvements in City, or its nominee, free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, rights of tenants or other occupants (except for the residential and commercial tenants under leases existing as of the Effective Date, and those residential leases permitted to be entered into by Seller prior to Closing pursuant to the terms of this Agreement, provided such exception is limited to the interest of such tenants as tenants only without any rights or options to purchase any of the Property), subject only to the Accepted Conditions of Title, as defined in the Due Diligence Agreement, or otherwise accepted by City under the Due Diligence Agreement. If Seller gives notice under Section 1.3(c) of the Due Diligence Agreement that Seller will remove or cure the exceptions objected to by City on or before the Closing and fails to remove the objectionable exceptions from title before the Closing Date, and City is unwilling to take title subject to the objectionable exceptions, Seller will be in default under this Agreement and City will have the rights and remedies provided in this Agreement. The Title Policy must provide full coverage against mechanics' and materialmen's liens arising out of the construction, repair or alteration of any of the Property, and such available endorsements as City may reasonably request.

3.3 Bill of Sale

At the Closing, Seller will 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 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 Intangible Property

At the Closing, Seller will transfer title to the Intangible Property by such instruments as City may reasonably determine necessary, including, without limitation, an assignment of Intangible Property in the form attached hereto as Exhibit E (the “**Assignment of Intangible Property**”).

3.5 Assignment of Leases

At the Closing, Seller will transfer its title to the Leases (as defined in Section 5.2 below), if applicable, 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 (as defined in the Due Diligence Agreement).

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 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 Due Diligence Agreement, and Seller has provided the Documents (as defined in the Due Diligence Agreement) to City and its Agents.

5. ENTRY; CONDITIONS TO CLOSING

5.1 Entry

During the Due Diligence Period (as defined in the Due Diligence Agreement) and at all times prior to the Closing Date, Seller shall afford City and its Agents reasonable access to the Property and the Documents (as defined in the Due Diligence Agreement) for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein and the satisfaction of the Conditions Precedent. Notwithstanding any provisions of this Agreement, City will not perform physically intrusive tests or physical alterations to the Property, including no borings, removal of soil samples, or removal of core samples, without Owner's prior written approval in Owner's sole and absolute discretion, as to the time, place, and manner of such investigations and express undertaking of responsibility for restoration. City shall permit Owner to have a representative present during all inspections conducted at the Property. City shall use commercially reasonable efforts to minimize disruption to the Property's employees, business operations, guests, and tenants in connection with City or City's Agents' activities pursuant to this Agreement. All inspections shall be subject to the rights of tenants and guests at the Property and to Owner's general manager at the Property. City shall, at its cost and expense, repair any damage to the Property arising from or in connection with the inspections, and restore the Property to substantially the same condition as existed prior to such inspections. City will indemnify and hold Owner harmless from any damage or injury to persons or property caused by City or City's Agents during any such entries onto the Property, except to the extent such damage or injury is caused by the acts or omissions of Owner or any of Owner's Agents and except for any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions in performing inspections, testing or other activities pre-approved by Owner on, in, under, or about the Property. This indemnity will survive the termination of this Agreement. City shall not permit any mechanic's or materialmen's liens or any other liens to attach to the Property by reason of the performance of any work or the purchase of any materials (or inspections undertaken) by City or City's Agents or any other party in connection with any inspections conducted by or on behalf of City.

5.2 City's Conditions to Closing

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

(a) City has reviewed and approved title to the Property, as set forth in Article 3 herein and the Due Diligence Agreement.

(b) There has been no material adverse change in the physical and environmental conditions of the Property from the Effective Date to the Closing Date. City shall be responsible for performing or arranging any reviews of the physical and environmental condition of the Property at City's expense, provided that if City's consultants reasonably determine that, based upon their Phase I examination, a Phase II examination is necessary with respect to all or a part of the Real Property, City may elect to perform a Phase II examination and City shall pay the reasonable cost of any such Phase II examination performed by City or City's consultants.

(c) If any of City's investigations reveal any contamination of the Property with any Hazardous Material, as defined in Section 8.1 (Representations and Warranties of Seller) below, then City may, at its sole election, by written notice to Seller on or before the end of the Due Diligence Period: (i) request that Seller, at Seller's sole cost, complete before the Closing through duly licensed contractors approved by City such activities as are necessary to cleanup, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Material located on or under the Property in compliance with all governmental laws, rules, regulations and requirements and in accordance with a written remediation plan approved by City in its sole discretion and by all regulatory agencies with jurisdiction; or (ii) terminate this Agreement. If City notifies Seller of its election to request that Seller remediate the contamination, Seller shall have fifteen (15) days after receipt of City's notice, to elect, at Seller's sole option, to provide City with: Seller's election to remediate the contamination before the Closing; or Seller's election to terminate this Agreement. Seller's failure to provide notice to Buyer within such fifteen (15)-day period shall be deemed notice of termination. If Seller chooses to remediate the contamination, the Closing may be extended for a reasonable time to enable Seller to complete such remediation, provided any such extension shall be subject to City's prior written approval, which City may give or withhold in its sole discretion. If Seller chooses to remediate the contamination, Seller shall indemnify City for any claims relating to the remediation of such Hazardous Material pursuant to a separate written agreement in form and substance satisfactory to City and Seller. City shall permit Seller to have a representative present during all inspections conducted at the Property. City shall use commercially reasonable efforts to minimize disruption to the Property's employees, business operations, guests, and tenants in connection with City or City's Agents' activities pursuant to this Agreement. All inspections shall be subject to the rights of tenants and guests at the Property and to Seller's general manager at the Property. No consent by Seller to any such activity shall be deemed to constitute a waiver by Seller or assumption of liability or risk by Seller. City shall, at its cost and expense, repair any damage to the Property arising from or in connection with the inspections, and restore the Property to substantially the same condition as existed prior to such inspections. City will indemnify and hold Seller harmless from any damage or injury to persons or property caused by City or City's Agents during any such entries onto the Property, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of Seller's Agents and except for any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions in performing inspections, testing or other activities pre-approved by Seller on, in, under, or about the Property. This indemnity will survive the Closing or the earlier termination of this Agreement, provided that Seller must give notice of any claim it may have against City under this indemnity (a) within thirty (30) days after Seller becomes aware of the claim if the claim is brought by a third party against Seller or (b) within six (6) months of after the Closing if the claim involves damage to Seller's property or any other claim brought by Seller and not a third party. The Property is in compliance in all material respects with all applicable laws, regulations, governmental permits, and governmental approvals as of the Closing Date.

(d) City has reviewed and approved the Documents (as defined in the Due Diligence Agreement). This condition shall be deemed satisfied upon City funding the Deposit.

(e) Seller is not in default in the performance of any covenant or agreement to be performed by Seller under this Agreement or the Due Diligence Agreement beyond any applicable notice and cure periods, and all of Seller's representations and warranties contained in or made pursuant to this Agreement are true and correct both when made and as of the Closing Date. At the Closing, Seller will deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 (Representations and Warranties of Seller) below are true and correct as of the Closing Date.

(f) The physical condition of the Property is substantially the same on the Closing Date as on the 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 is no litigation or administrative agency or other governmental proceeding, pending or threatened, that after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings are pending or threatened that could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(g) 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).

(h) City has reviewed and approved a schedule (the “**Schedule of Agreements**”) setting forth a list of all of the contracts or agreements (other than Leases) that City has elected that Seller will assign to City, and City will assume at Closing (the “**Assumed Contracts**”), together with true and accurate copies of all such documents. At or before the Closing, Seller has terminated any contracts or agreements not to be assumed by City, without liability to City. City shall notify Seller in writing of City’s selection of Assumed Contracts no later than 30 days prior to Closing.

(i) Seller has delivered the items described in Section 6.3 below (Seller's Delivery of Documents) in form and substance satisfactory to City.

(j) Title Company has agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 6.6 below). This condition shall be deemed satisfied upon City funding the Deposit.

(k) Intentionally omitted.

(l) City has reviewed and approved: (i) all existing and pending leases and other occupancy agreements that Seller will assign to City, and City will assume at Closing (“**Leases**”), (ii) tenant correspondence files, and (iii) a current rent roll for the Property, prepared by Seller and listing for each tenant the name, location of leased premises, rent, obligation for reimbursement of expenses, amount of security deposit and rent paid more than thirty (30) days in advance, lease commencement date, lease termination date, lease expansion or extension options, option rent, and cost of living or other rent escalation clauses, any free rent, operating expense abatements or other unexpired concessions, and a description of any uncured defaults. This condition shall be deemed satisfied upon City funding the Deposit.

(m) At or before the Closing, Seller has terminated any existing and pending leases and other occupancy agreements that City has not agreed to assume, without liability to City; provided that the City agrees to assume at Closing all Leases existing as of the Effective

Date, and those Leases permitted to be entered into by Seller after the Effective Date and prior to the Closing pursuant to the terms of Section 10.2 of this Agreement.

(n) Seller shall have requested from tenants and used good faith effort to obtain and deliver to City, before the Closing Date, tenant estoppel certificates in form and substance satisfactory to City from any and all commercial and/or residential tenants occupying any portion of the Property. Such certificates shall be substantially in the form attached hereto as Exhibit G and shall be dated no earlier than thirty (30) days prior to the Closing Date. Notwithstanding the foregoing, to the extent Seller is unable, despite its good faith efforts, to obtain estoppel certificates from all tenants occupying any portion of the Property, City will accept an estoppel certificate from Seller certifying the lease information, unless City waives in writing this requirement for one or more tenants.

(o) Prior to the Effective Date, the City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution or an ordinance, as applicable, approving, adopting and authorizing this Agreement and the transaction contemplated herein.

(p) City has successfully obtained Project Homekey funding from the State of California to fund all or a portion of the Purchase Price, such funds have been transferred into escrow for the Property, and all applicable Project Homekey conditions related to the Property have been met.

(q) Seller has complied with all applicable requirements of Chapter 41B of the San Francisco Administrative Code (Community Opportunity to Purchase Act) ("COPA"), and no Qualified Nonprofit (as defined under COPA) shall have exercised the right of first refusal to purchase the Property conferred upon Qualified Nonprofits by Section 41B.7 of COPA.

(r) Seller has disclosed to City that during heavy rains in Winter/Spring 2023, the Improvements experienced water leaks in the basement electrical room. At least 15 days prior to the Closing Date, Seller, at its sole cost and expense, shall complete the repair work described as "Approach 2" in Exhibit K attached hereto and incorporated herein by reference (the "Water Intrusion Repair Work"), subject to City's confirmation of Seller's completion of the Water Intrusion Repair Work in accordance with Exhibit K attached hereto. The Water Intrusion Repair Work shall include any related permits, fees, costs, and expenses for lien-free completion and any related permit sign-off by the applicable governmental authorities, and the City shall have no obligation therefor. Seller shall not modify the Water Intrusion Repair Work without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed. The Water Intrusion Repair Work shall be completed in a manner consistent with the Intangible Property to be assigned to City at Closing, including but not limited to any applicable warranties included in the Intangible Property that remain in effect as of the Closing. Seller shall indemnify, protect, defend, and hold the City harmless from and against any and all obligations, lawsuits, injuries, losses, damages, claims, liens, costs, expenses, demands, liabilities, judgments, penalties, investigation costs, including attorneys' fees and costs, to the extent incurred in connection with, arising directly or indirectly out of, or in any way connected with the Water Intrusion Repair Work. Without limiting the generality of the foregoing indemnity, Seller shall keep the Property free and clear of any mechanics' or other liens from being recorded or threatened against the Property by any party providing labor, materials or services in connection with the Water Intrusion Repair Work.

The City Conditions Precedent are solely for the benefit of City. If any City Condition Precedent is not satisfied, 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 to the extent expressly set forth in this Agreement. If one or more City Condition Precedents has not been satisfied, but may be satisfied with additional time, then City may extend Closing Date, at City's option, for a reasonable period of time specified by City but in no event later than ninety (90) days after the Homekey Award Date, to allow such City Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all City Conditions Precedent have not been satisfied.

5.3 Cooperation with City

Seller will reasonably cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any City Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City will not be affected or released by City's waiver or fulfillment of any City Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

5.4 Map Act Compliance

The parties acknowledge that the conveyance of the Property is exempt from the California Subdivision Map Act under Government Code section 66428; therefore, compliance with the Subdivision Map Act is not a condition precedent to Closing.

5.5 COPA

Seller and City each acknowledge that City's purchase of the Property will not occur if a Qualified Nonprofit exercises the right of first refusal conferred by Section 41B.7 of COPA, if applicable, and in the event of such exercise this Agreement shall terminate.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Closing Date (as defined in Section 6.2), the parties will open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement will serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated under this Agreement. Seller and City will 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 will control.

6.2 Closing Date

The consummation of the purchase and sale contemplated under this Agreement (the “**Closing**”) is expected to be held, and delivery of all items to be made at the Closing under the terms of this Agreement will be made, at the offices of Title Company located at One Embarcadero, Suite 250, San Francisco, CA 94111, ninety (90) days after the later of the Homekey Award Date or the Effective Date (“**Anticipated Closing Date**”) or on such other date as City and Seller may mutually agree (the actual date of Closing, the “**Closing Date**”). Seller agrees that the timing requirements under Project Homekey, including an obligation to close escrow before a certain date, may accelerate or postpone the Closing Date, but in no event shall the Closing Date occur later than ninety (90) days after the Homekey Award Date. So long as the Deposit has been paid, Seller agrees to reasonably cooperate with this process, subject to receiving sufficient advance notice from Buyer to coordinate defeasance of Seller's existing financing.

Notwithstanding the foregoing, if the Homekey Award Date has not occurred, and Buyer has not identified an alternative funding source, by August 31, 2023 (“**Outside Homekey Award Date**”), Seller would have the right to terminate this Agreement without penalty. Notwithstanding, Seller and Buyer may agree in writing to extend the Outside Homekey Award Date if certain conditions are met.

The Closing Date may not otherwise be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. If the Closing does not occur on or before the Anticipated Closing Date, Title Company will, unless it is notified by both parties to the contrary, within five (5) days after the Anticipated Closing Date, return to the depositor any items that may have been deposited into escrow (other than the Deposit, which shall be delivered to the appropriate party pursuant to the terms of this Agreement). Any such return will not, however, limit the provisions of this Agreement or otherwise relieve either party of any liability it may have for its wrongful failure to close. In no circumstances shall the Closing Date occur prior to the Effective Date or the Homekey Funding Date.

6.3 Seller's Delivery of Documents

At or before the Closing, Seller will deliver to City, or City’s nominee, through escrow, the following, in form and substance satisfactory to City:

- (a) a duly executed and acknowledged Deed;
- (b) a duly executed Bill of Sale for the Personal Property, if any;
- (c) a Certificate from the Secretary of State or other appropriate government official of the State of California indicating that, as of the Closing Date, there are no filings against Seller in the office of the Secretary of State or other government official under the Uniform Commercial Code of such State which would be a lien on any of the items specified in the Bill of Sale (other than such filings, if any, as are being released at the time of the Closing);
- (d) four (4) duly executed and acknowledged counterparts of the Assignment of Leases;
- (e) duly executed tenant estoppel certificates pursuant to Section 5.1(m) hereof;

(f) four (4) duly executed counterparts of the Assignment of Intangible Property;

(g) to the extent in the possession of Seller, originals of the Documents, Leases, and Assumed Contracts and any other items relating to the ownership or operation of the Property 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 593C 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 limited liability company documents or agreements relating to Seller and its members as the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated by this Agreement, 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) a closing statement in form and content satisfactory to City and Seller;

(l) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 5.2(e) above; and

(m) A statement executed by Seller certifying to City, to Seller’s knowledge: (i) all defaults, if any, which then exist on the part of any party to any Lease or Assumed Contract in any obligations for the payment of money under the applicable Lease or Assumed Contract; and (ii) all defaults, if any, which then exist on the part of any party to any Lease or Assumed Contract in any obligations under the applicable Lease or Assumed Contract other than obligations for the payment of money and for which a written notice of default has been given or received.

6.4 City's Delivery of Documents and Funds

At or before the Closing, City, or its nominee, will deliver to Seller through escrow the following:

(a) an executed certificate of acceptance of the Deed executed by City's Director of Property;

(b) four (4) duly executed and acknowledged counterparts of the Assignment of Leases;

(c) four (4) duly executed 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, subject to adjustment as provided in Section 7.

6.5 Other Documents; Tax Apportionment

Seller and City will 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 of this Agreement. On or before the Closing Date, City will deliver to the Title Company a statement for delivery to the County Tax Assessor in the form attached as Exhibit J (the “**Apportionment Notice**”). Upon Closing, the Title Company will insert the Closing Date in the Apportionment Notice and send the Apportionment Notice to the County Tax Assessor and County Auditor in the county in which the Property is located.

6.6 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 will perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Seller and City will 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.

6.7 Seller Default

If the sale of the Property is not consummated because of a Seller default under this Agreement or the Due Diligence Agreement, and such default remains uncured within five (5) business days after written notice thereof by City to Seller, 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 reasonably incurred by City in connection with the Due Diligence Agreement and performance of its due diligence review of the Property, in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00); or (2) continue this Agreement pending City’s action for specific performance, which such action must be brought 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.

6.8 City Default and Liquidated Damages

If the sale of the Property contemplated under this Agreement is not consummated solely because of a default under this Agreement by City, and such default remains uncured within five (5) business days after written notice thereof by Seller to City, then City will pay the amount of the Deposit to Seller 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 DEPOSIT 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.

INITIALS: Seller _____ City _____

7. EXPENSES AND TAXES

7.1 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, regardless of whether or not such rent has been paid to Seller. 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, and Seller shall not be permitted to do so.

(b) Leasing Costs

Seller shall pay all leasing commissions and tenant improvement costs accrued in connection with any Lease executed on or before the Closing. City shall be entitled to a credit against the Purchase Price for the total sum of all security deposits paid to Seller by tenants under any Leases, and any interest earned thereon.

(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 by 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 will 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; provided that in the event such final readings do not occur, then the parties shall reasonably prorate such amounts based on the average historical costs over the prior three (3) months. All utility deposits paid by Seller

will remain the property of Seller and City will reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(e) Other Apportionments

Amounts payable under any Assumed Contracts, 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 will be apportioned as of the Closing Date.

7.2 Closing Costs

City will pay the cost of the any survey ordered by City, the premium for the Title Policy and endorsements, and one-half of the escrow and recording fees. City will pay the cost of any transfer taxes applicable to the sale of the Property. Seller will pay one-half of the escrow and recording fees, and 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 will be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3 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, to the extent applicable to the period prior the Closing Date. Seller will pay any other taxes applicable to the Property for the period prior to the Closing Date.

7.4 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.

7.5 Sales and Use Taxes for Transferred Taxable Personal Property

Seller will promptly remit to the State of California the entire amount of any sales and use taxes triggered by the transfer of taxable personal property included in the sale of the Property, in accordance with 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.

7.6 Post-Closing Reconciliation

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

7.7 Survival

The provisions of this Section will survive the Closing.

8. REPRESENTATIONS AND WARRANTIES; AS-IS SALE

8.1 Representations and Warranties of Seller

Seller represents and warrants to and covenants with City as follows:

(a) To the best of Seller's knowledge, as of the Effective Date, there are no material physical or mechanical defects of the Property. To the best of Seller's knowledge, there are now, and at the time of the Closing will be, no uncured violations of any laws, rules or regulations applicable to the Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) To the best of Seller's knowledge, the Leases, Assumed Contracts, Documents, and other information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Property to the extent available to Seller and are, and at the time of Closing, will be, true, correct, and complete copies of the documents.

(c) To Seller's knowledge, the Leases are, as of the Effective Date, in full force and effect, without default by any party, except for tenant defaults set forth on the rent roll provided to the City. As of the Closing Date, to Seller's knowledge, the Leases existing as of the Closing Date will be in full force and effect, without default by any party, except for tenant defaults set forth on the rent roll provided to the City prior to Closing. To Seller's knowledge, as of the Closing Date, the Assumed Contracts will be in full force and effect, without default by Seller.

(d) To the best of Seller's knowledge, no document or instrument furnished or to be furnished by the Seller to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement will have been made.

(e) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property (provided that Seller shall not be in default of this Section 8.1(e) to the extent any condemnation is instituted or planned to be instituted by any governmental or quasi-governmental agency after the Effective Date of this Agreement, which shall be governed by Section 9.1 of this Agreement).

(f) To the best of Seller's knowledge, there are no easements or rights of way on the Property that have been acquired by prescription or are otherwise not of record, and to the best of Seller's knowledge, there are no easements, rights of way, permits, licenses or other forms of agreement that afford third parties the right to traverse any portion of the Property to gain access to other real property that are not of record. To the best of Seller's knowledge, there are no disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(g) 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.

(h) There is no litigation pending or, after due and diligent inquiry, to Seller's knowledge, threatened, against Seller or any basis for litigation that arises out of Seller's ownership of the Property that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement (excluding any applicable litigation which may arise after the Effective Date resulting solely from the City's proposed acquisition and/or intended use of the Property).

(i) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(j) Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware, and is in good standing as a registered foreign limited liability company in California; this Agreement and all documents executed by Seller that 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 at the Closing will be, sufficient to convey good and marketable title (if they purport to do so), 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.

(k) 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 will immediately notify the City of and the reasons therefor together with any relevant facts or information requested by City. Any such suspension, debarment, discipline, or prohibition may result in the termination or suspension of this Agreement.

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

(m) Seller hereby represents and warrants to and covenants with City that the following statements are, to the best of Seller's knowledge, true and correct as of the Effective Date and will be true and correct as of the Closing Date, except as described in Schedule 1 ("**Seller's Environmental Disclosure**"): (i) neither the Property nor to the best of Seller's knowledge any real estate in the vicinity of the Property is in violation of any Environmental

Laws; (ii) the Property is not now, nor to the best of Seller's knowledge has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (iii) there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iv) there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Property, or if there have been or are any such tanks or wells located on the Property, their location, type, age and content has been specifically identified in Seller's Environmental Disclosure, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release or threatened release of any Hazardous Material into the environment; (v) the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

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

(ii) **"Hazardous Material"** means 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 includes 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 also includes, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(n) 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 and Seller will pay or otherwise cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. There are no obligations under any written or oral agreements in connection with the Property that will be binding upon City after Closing except for the Accepted Conditions of Title, the Assumed Contracts, and the Leases.

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

(p) After the Effective Date, Seller shall not enter into Leases that contain free rent, operating expense abatements, rebates, allowances, or other unexpired concessions (collectively referred to as “**Offsets**”) or that contain any early termination, extension, early cancellation or expansion rights under any existing or pending Leases. Seller has paid in full any of landlord's leasing costs incurred by Seller in connection with any tenant improvements. There are not tenant allowances with respect to the commercial tenants that remain outstanding as of Closing.

(q) No brokerage or similar fee is due or unpaid by Seller with respect to any Lease. No brokerage or similar fee shall be due or payable on account of the exercise of, without limitation, any renewal, extension or expansion options arising under any Leases.

(r) 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. None of the tenants of the Property has indicated to Seller either orally or in writing its intent to terminate its respective Lease prior to expiration of the respective term of such Lease, which have not been disclosed in writing by Seller to the City prior to Closing.

(s) 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, warranties and covenants of Seller set forth in this Section 8.1 and in the documents executed in connection with the Closing, and Seller’s indemnification obligations under this Agreement, the Assignment of Intangible Property and Seller’s indemnification obligations under the Assignment of Leases (collectively, “**Seller’s Surviving Obligations**”), shall survive the Closing for a period of nine (9) months from and after the Closing Date (the “**Survival Period**”). 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 any provision of this Agreement or any closing document executed by Seller and delivered to Buyer at Closing to the contrary, Seller’s liability with respect to Seller’s Surviving Obligations shall not exceed, in the aggregate, two percent (2%) of the Purchase Price; provided that Seller’s liability with respect to Seller’s Surviving Obligations may exceed, in the aggregate, two percent (2%) of the Purchase Price for any claims caused by Seller’s intentional misrepresentation or fraud. If the Closing occurs, notwithstanding any provision to the contrary contained in this Agreement or any documents executed by Seller pursuant hereto or in connection herewith, City hereby expressly waives, relinquishes and releases any right or remedy available to it at law, in equity, under this Agreement or otherwise to make a claim against Seller for damages that City may incur, or to rescind this Agreement and the transaction contemplated by this Agreement, as the result of any of Seller’s representations or warranties being untrue,

inaccurate or incorrect if the City knew that such representation or warranty was untrue, inaccurate or incorrect at the time of the Closing.

8.2 Indemnity

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' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. The foregoing indemnity includes, without limitation, costs incurred in connection with 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 foregoing indemnity also includes, without limitation, that 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' and consultants' fees, resulting from any improper off-site soil disposal from the Property by Seller and/or its Agents prior to the Closing Date. The indemnification provisions of this Section will survive beyond the Closing (except as otherwise expressly limited or expanded by the terms of this Agreement), or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement.

8.3 As-Is Sale.

(a) As provided in this Agreement and the Due Diligence 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 8.1 (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 members, managers, officers, directors, employees, and 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 8.3 WILL NOT SERVE TO RELEASE SELLER AND ITS AGENTS FROM, AND NO RELEASE IN THIS SECTION 8.3 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.

9. RISK OF LOSS; POSSESSION

9.1 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 portion of the Property, then the rights and obligations of Seller and City under this Agreement are as follows:

(a) If such damage or destruction is fully covered by Seller's insurance except for the deductible amount, and the insurer agrees to timely pay for the entire cost of such repair (except the deductible), and the entire cost of the damage or destruction would cost less than Seven Hundred Fifty Thousand Dollars (\$750,000.00) (the “**Threshold Damage Amount**”) to repair or restore, then this Agreement will remain in full force and effect and City may proceed to acquire the Property upon the terms and conditions set forth in this Agreement. In such event, City will receive a credit against the Purchase Price equal to the deductible amount, and Seller will 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 and Seller.

(b) If such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would cost less than the Threshold Damage Amount to repair or restore, then the transaction contemplated by this Agreement will be consummated with City receiving a credit against the Purchase Price at the Closing in an amount reasonably

determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction.

(c) If the cost of such damage or destruction would equal or exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any of the Property, then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or to 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 to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated 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 those expressly stated to survive. If City elects not to terminate this Agreement, this Agreement will remain in full force and effect, and Seller shall notify City of either (i) Seller's intention to repair such damage or destruction, in which case Seller shall retain all rights to any insurance proceeds, or (ii) Seller's intention to assign all of Seller's right, title and interest in and to any proceeds of insurance or condemnation awards. Any repairs elected to be made by Seller pursuant to clause (i) of this Subsection shall be made within one hundred eighty (180) days following such damage or destruction and the Closing shall be extended until the repairs are substantially completed. If Seller elects to assign insurance proceeds or condemnation awards under clause (ii) of this Subsection, City will receive a credit against the Purchase Price equal to the deductible amount, and Seller will 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 or destruction pursuant to an instrument satisfactory to City.

9.2 Insurance

Through the Closing Date, Seller will 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 insurable risks, 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 will furnish City with evidence of such insurance upon request by City.

9.3 Possession

Seller will deliver possession of the Property to City on the Closing Date, vacant, except for the Assumed Contracts and the Leases.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the Effective Date and the Closing, Seller will maintain the Property in good order, condition and repair, reasonable wear and tear excepted, will perform all work required to be done by the landlord under the terms of any Lease, and will make all repairs, maintenance and replacements of the Improvements and any Personal Property in a manner consistent with past practice of Seller and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

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

After the Effective Date and prior to the payment of the Deposit to the Title Company, (A) Seller may continue to enter into residential leases for apartment units at the Property in the ordinary course, not to exceed one (1) year in term, at market rates, on Seller's customary form residential lease, and (B) Seller shall not enter into leases for commercial space at the Property without City's prior written consent, such consent not to be unreasonably withheld or delayed. After payment of the Deposit to the Title Company, Seller may not enter into any lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment, or agreement pertaining to the Property, or waive any rights of Seller under any Lease or Assumed Contract, without in each instance obtaining City's prior written consent thereto. City agrees that it will not unreasonably withhold or delay any such consent. Seller will terminate prior to the Closing, at no cost or expense to City, any and all agreements (other than the Leases), including any management agreements affecting the Property that City does not agree in writing prior to the Closing to assume. Notwithstanding any term to the contrary set forth in this Agreement, prior to Closing, Seller may permit tenants to terminate their Leases, and Seller may terminate any Leases due to a tenant default; provided, however, that Seller will provide written notice to City of any such actions as any such actions occur during the term of this Agreement and prior to the Closing.

11. GENERAL PROVISIONS

11.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement must be in writing and will be deemed to have been given upon receipt, as demonstrated by courier confirmation of delivery or US mail return receipt or other verified tracking. Notices will be 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: **1174 Folsom Street**
andrico.penick@sfgov.org

with copy to:

Jessie Alfaro-Cassella
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: **1174 Folsom Street**
Email Address: jessie.cassella@sfcityatty.org

Seller:

Greenseed Folsom Land LLC
c/o SteepRock Capital, LLC
2 Sound View Drive, 2nd Floor
Greenwich, CT 06830
Attn: John Bucci
Email Address: bucci@steeprockcapital.com

with copy to:

Honigman LLP
2290 First National Building
660 Woodward Avenue
Detroit, Michigan 48223
Attn: Douglas Kelin, Esq.
Email: dkelin@honigman.com

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 email to the email address listed above, or such other address as may be provided from time to time. However, neither party may give official or binding notice by email. The effective time of a notice will not be affected by the receipt, before receipt of the original, of an email copy of the notice.

11.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein, except for Payam Nejad with Colliers International, whose commission, if any is due, shall be the sole responsibility of Seller pursuant to a separate written agreement with such broker, and City shall have no liability whatsoever therefor. If any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, then the party through whom the broker or finder makes his or her claim will be responsible for such commission or fee and will 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 will survive the Closing.

11.3 Successors and Assigns

This Agreement is binding on, and will inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and permitted assigns. The City shall not assign its interest in this Agreement without the prior written consent of the Seller; provided, however, without Seller's prior written consent, the City has the right, upon notice to Seller, to assign its right, title and interest in and to this Agreement to a non-profit organization directly affiliated with City's intended use of the Property at any time before the Closing Date. Any such assignment shall not release the City of its obligations hereunder.

11.4 Amendments

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

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties in this Agreement or made in writing under this Agreement are intended to be, and must remain, true and correct as of the Closing, will be deemed to be material, and, together with all conditions, covenants, and indemnities made by the respective parties under this Agreement or made in writing in accordance with this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), will survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated by this Agreement will constitute representations and warranties hereunder.

11.6 Governing Law

This Agreement is governed by and construed in accordance with the laws of the State of California and the City's Charter and Municipal Code.

Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Agreement has been brought in an inconvenient forum. The Parties also unconditionally and irrevocably waive any right to remove any such suit, action, or proceeding to Federal Court.

11.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) and the Due Diligence Agreement are the final expressions of their agreement with respect to Seller's sale of the Property and City's purchase of the Property and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings, including, without limitation, any letter of intent or term sheet. The parties further intend that this Agreement and the Due Diligence Agreement will constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

11.8 Parties and Their Agents; Approvals

The term "Seller" as used herein includes the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller will be joint and several. As used herein, the term "Agents" when used with respect to either party includes the agents, employees, officers, contractors, and representatives of such party. All approvals, consents, or other determinations permitted or required by City hereunder will be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

11.9 Interpretation of Agreement

The article, section, and other headings of this Agreement and the table of contents are for convenience of reference only and will not affect the meaning or interpretation of any provision of this Agreement. Whenever the context requires, the use of the singular will be deemed to include the plural and vice versa, and each gender reference will be deemed to include any gender. 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 will be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

11.10 No Recordation. Neither this Agreement nor any memorandum or notice thereof shall be recorded against the Property.

11.11 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.

11.12 Sunshine Ordinance

Seller understands and agrees that under the City’s Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this 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.

11.13 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 will immediately notify the City.

11.14 Notification of Prohibition on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with 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.

11.15 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 will be personally liable to Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement.

11.16 Reserved

11.17 Counterparts

This Agreement 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.

11.18 Effective Date

As used herein, the term “**Effective Date**” means the date on which City, or its nominee, and Seller have executed this Agreement, as authorized by a resolution or ordinance, as applicable, enacted by the City's Board of Supervisors and Mayor approving and authorizing this Agreement and the transaction contemplated hereunder.

11.19 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance is determined to 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, will not be affected, and each other provision of this Agreement will be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

11.20 Agreement Not to Market Prior to Effective Date

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

11.21 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 will be considered the drafter of this Agreement, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will 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 WILL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT WILL 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 BY THIS AGREEMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY WILL 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:

Greenseed Folsom Land LLC
a Delaware limited liability company

By:  _____
John Bucci, Authorized Signatory

Date: 6/12/2023 _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

Date: _____

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Jessie Alfaro-Cassella
Deputy City Attorney

SCHEDULE 1

SELLER'S ENVIRONMENTAL DISCLOSURE

Phase I Environmental Site Assessment prepared by Partner dated August 4, 2022

Phase I Environmental Site Assessment prepared by AEI dated December 3, 2015

Subsurface Characterization Report prepared by PII dated July 23, 2015

Work Plan Soil Characterization prepared by PII dated April 28, 2015

Site Mitigation Plan prepared by PII dated November 11, 2015

Lead-Based Paint and Lead-Based Paint Hazards Disclosure, Acknowledgement and Addendum prepared by Sellers dated May 19, 2022

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, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY AS SHOWN ON THAT CERTAIN MAP ENTITLED, "PARCEL MAP 9708, A THREE PARCEL VERTICAL SUBDIVISION", BEING A SUBDIVISION OF LOT 291, ASSESSOR'S BLOCK 3730, SAN FRANCISCO, CALIFORNIA", FILED DECEMBER 27, 2019, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, IN [BOOK 50 OF PARCEL MAPS, AT PAGES 31-34](#), INCLUSIVE.

[APN: LOTS 408, 409 AND 410, BLOCK 3730, FORMERLY A PORTION OF LOT 291](#)

Address: 1174-1178 Folsom Street and 663 Clementina Street, San Francisco, CA
APN: Block 3730, Lots 408, 409, 410

EXHIBIT B

DESCRIPTION OF ACCEPTED PERSONAL PROPERTY

Seller hereby delivers to buyer the following items of personal property with the sale of the above-mentioned property:

- 42 Refrigerators
- 43 Stoves 42 electric 2 burner cooktop by Summit, 1 Gas 4 burner cooktop in Community Kitchen
- 43 Dishwashers
- 3 Washing Machines - Rentals
- 4 Dryers - Rentals
- 42 other (GE Profile Microwave Oven)
- 1 other (Kitchen Hood in Community Kitchen)

- **Rooftop:**
 - Tables: 3 tables – 2 coffee Tables, exterior / 1 bar stool table
 - Chairs: 2 dual exterior sofa chairs / 4 single exterior sofa chair / 4 barstool chairs
 - 1 built-in stainless steel grill
 - 1 GE top mount stainless steel refrigerator

- **Community Room**
 - Tables: 2 - 1 dining / 1 coffee table
 - Chairs: 7 dining chairs
 - 1 large flat screen TV
 - 2 dual sofa / 1 single sofa
 - 2 bookshelves
 - 1 lamp

- **Lobby**
 - **Tables: 2 indoor small tables**
 - **Chairs: 4 chairs**
 - **2 sitting benches**

- **3rd Floor Courtyard**
 - **Tables: 4 round tables**
 - **Chairs: 8 exterior chairs**

- **Unit 605**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Unit 511**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Unit 512**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Unit 505**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Unit 501**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Unit 412**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Unit 310**
 - **Tables: 1 small dining folding table**
 - **Chairs: 2 regular chairs / 1 bar chair**
 - **1 Bed**
 - **1 sitting bench**
 - **1 side dresser**
 - **1 kitchen utensil set**

- **Other:**
 - **11 Queen mattress miley memory foam**
 - **11 Queen Headboard**
 - **11 barstool chairs**
 - **11 sets of kitchen utensils sets (25 piece)**
 - **11 sets of kitchen cookware (8 piece)**
 - **11 queen size metal bed frame**
 - **11 small kitchen tables**
 - **11 shoe benches**

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 _____, 2023.

_____, 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

This is to certify that the interest in real property located at _____ conveyed by the foregoing Grant Deed dated _____ to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and Resolution No. _____, approved _____, 20____, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

Andrico Q. Penick
Director of Property

EXHIBIT A

REAL PROPERTY DESCRIPTION

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

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

EXHIBIT D

BILL OF SALE

For good and valuable consideration the receipt of which is acknowledged, GREENSEED FOLSOM LAND LLC, a Delaware limited liability company (“**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 _____, 2023, between Seller and Buyer (or Buyer's predecessor in interest), including, without limitation, those items described in the attached Schedule 1.

Seller hereby represents 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 such personal property and will warrant and defend the title thereto unto Buyer, its successors and assigns, against the claims and demands of all persons whomsoever.

The Personal Property is in a used condition, and Seller is neither a manufacturer, nor distributor of, nor dealer nor merchant in, the Personal Property. Seller makes no representations, express or implied, as to the condition or state of repair of the Personal Property, including warranties of fitness or merchantability, it being expressly understood that the Personal Property is being sold to Buyer in its present “AS IS, WHERE IS” condition and with all faults, as provided in the Purchase Agreement.

DATED _____, 2023.

SELLER:

GREENSEED FOLSOM LAND LLC, a
Delaware limited liability company

By: _____
[NAME]

Its: _____

EXHIBIT E

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

THIS ASSIGNMENT is made and entered into as of _____, 2023, by and between GREENSEED FOLSOM LAND LLC, a Delaware 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. to the extent legally transferable, 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 _____, 20___, 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. 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 will be binding on and inure to the benefit of the parties to this Assignment, their heirs, executors, administrators, successors in interest and assigns.

5. 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.

6. 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:

GREENSEED FOLSOM LAND LLC, a
Delaware limited liability company

By: _____
[NAME]

Its: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Jessie 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:

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

SCHEDULE 1
CONTRACTS

SCHEDULE 2
WARRANTIES

EXHIBIT F

ASSIGNMENT OF LEASES

THIS ASSIGNMENT is made and entered into as of _____, 20____, by and between GREENSEED FOLSOM LAND LLC, a Delaware limited liability company (“**Assignor**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**Assignee**”).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Closing Date (as defined in the Agreement for the Purchase and Sale of Real Property between Assignor, as Seller, and Assignee, as City, dated as of _____, 2023 (the “**Purchase Agreement**”)), 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 1174-1178 Folsom Street and 663 Clementina Street, San Francisco, and more fully described in Exhibit A to the Purchase Agreement (the “**Property**”) as more fully described in Schedule 1 attached hereto (collectively, the “**Leases**”). Initially capitalized terms used but not defined in this Assignment have the meanings given to them in the Purchase Agreement.

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 Agreement, effective as of the Closing Date, 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 Closing Date and arising out of the landlord's obligations under the Leases.
4. Any rental and other payments under the Leases will be prorated between the parties as provided in the Purchase 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 will be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
7. This Assignment is governed by and will be construed in accordance with the laws of the State of California.

8. 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]

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

ASSIGNOR:

GREENSEED FOLSOM LAND LLC,
a Delaware limited liability company

By: _____
[NAME]

Its: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Jessie Alfaro-Cassella
Deputy City Attorney

SCHEDULE 1
LEASES

EXHIBIT G

COMMERCIAL 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, REPRESENTS AND WARRANTS

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.
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. 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. Tenant has no complaints or disputes with Landlord regarding the overall operation and maintenance of the property within which the Premises are located (the “Property”), or otherwise.
8. No Advance Payments. No rent has been paid in advance by Tenant except for the current month's rent.
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.

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 of this Certificate, the term "Hazardous Material" means 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. No Relocation Assistance; Waiver of Claims. Tenant acknowledges that it will not be a displaced person at the time the Lease is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all claims against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, under any legal requirements, including any and all claims for relocation benefits or assistance from City under federal and state relocation assistance legal requirements (including California Government Code Section 7260 et seq.).

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

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

17. Due Execution and Authorization. The undersigned, and the person(s) executing this Certificate on behalf of the undersigned, represent and warrant 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]

[TITLE]

By:

[NAME]

[TITLE]

EXHIBIT A
COPY OF LEASE

RESIDENTIAL TENANT’S ESTOPPEL CERTIFICATE

I, _____ (insert name),
am a residential tenant and present occupant of 1174 Folsom Street, Unit # _____,
San Francisco, CA (“Premises”) under a lease with Greenseed Folsom Land LLC (“Landlord”) attached hereto as Exhibit A. I have separately been informed that the City and County of San Francisco (“City”) intends to purchase the Premises and that no households will be required to move permanently from the property as a result of the City’s acquisition of the Premises.

I hereby certify, represent, and warrant to the City and its assignees as follows related to my lease with the Landlord:

Tenant Contact Information:

Phone Number: _____
Email Address: _____

Lease Start Date: _____

Lease Expiration Date: _____

Monthly Rent Amount: _____

Monthly Rent Due Date: _____

Rent Currently Paid Through: _____

Rent Escalations Included in Lease (if applicable):

Security Deposit Amount: _____

Any Concessions Included in Lease (if applicable):

Utilities Included in Rent (if applicable):

Utilities Not Included in Rent (if applicable):

Parking Space(s) Included in Rent (if applicable):

Onsite Laundry Access (if applicable)? _____

Any Pets (if applicable):

Any Reasonable Accommodations Granted by Landlord? (if you need more space, please provide a separate document as an attachment):

Any Current Oral Agreements with Landlord? (if you need more space, please provide a separate document as an attachment):

Any Existing Claims or Disputes with Landlord/Management? (if you need more space, please provide a separate document as an attachment):

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

2. Lease. A copy of my current lease, and any amendments thereto, is attached as Exhibit A and is a true and correct copy of my lease. The lease attached as Exhibit A is valid and in full force and effect under state and local law. The lease attached as Exhibit A contains all of the understandings and agreements between Landlord and myself, and has not been amended, supplemented, or changed by letter, agreement, or otherwise, except as described in Exhibit A. My only interest in the Premises is my lease.

3. Premises. I am currently leasing and occupying the Premises. Any work required to be performed by the Landlord under my lease has been completed in a safe and habitable manner and the result of such work is acceptable. There are no unreimbursed expenses due to me.

4. Rent. I have not paid any rent in advance under my lease except for the monthly rent that became due for the current month, and I have fully paid rent and all other amounts due under my lease through the date specified above.

5. Rent Payments After City Purchase. I will continue to pay my rent and any other payments required under my lease to the current property management agent, or to such other entity or address as the City or its agent directs in writing.

6. Rental Escalations. My lease provides that my current monthly rent rate specified above is subject to the rental escalation adjustments specified above, if any.

7. Security Deposit. Prior to my lease commencement, I paid the amount listed above to the Landlord as a security deposit. I understand that the Landlord will transfer my security deposit to the City upon the City's purchase of the Premises, unless I owe rent or any other payments to the Landlord pursuant to my lease, in which case such owed rent or other payments will be deducted from my security deposit and the balance (if any) of my security deposit will be transferred to the City as of the date of the City's purchase of the Premises.

8. No Defaults/Claims. Neither myself nor the Landlord is in default under any terms of my lease nor has any event occurred where the passage of time (after notice, if any, required under my lease) would become an event of default under my lease. I have no claims, counterclaims, defenses, or setoffs against Landlord arising from my lease, nor am I entitled to any concession, rebate, allowance, or free rent for any period after this certification. I have no complaints or disputes with Landlord regarding the overall operation and maintenance of the property located at 1174 Folsom Street, San Francisco, CA, except as noted above.

9. Offsets. I claim no offset, counterclaims, or credits against my rent, nor do I possess or assert any claims against the Landlord for any failure of performance of any of the terms of my lease, and the Landlord is not in default under my lease. Landlord has fulfilled all of its duties and obligations under my lease.

10. No Sublease/Assignment. I have not assigned or entered into any subleases of my lease. I have no notice of a prior assignment, hypothecation, or pledge of rents under my lease or of my lease.

11. Hazardous Materials. I have not used, treated, stored, disposed of, or released any hazardous materials on or about the Premises.

12. No Relocation Assistance; Waiver of Claims. I acknowledge that I will not be a displaced person at the time my lease is terminated or expires in accordance with its terms. I covenant not to sue and fully RELEASE AND DISCHARGE forever: any and all claims against the City, its departments, commissions, officers, directors, and employees, and all persons acting under any legal requirements by, through, or under each of them, including any and all claims for relocation benefits or assistance from the City under federal and state relocation assistance legal requirements (including California Government Code Section 7260 *et seq.*).

13. City Purchase. Upon Landlord's notice to me of the City's purchase of the Premises, I will be liable to, and recognize, the City as the landlord under my lease, and will be bound by and perform all of the obligations imposed by my lease on me, and the City will

succeed to all of the rights of the landlord under my lease. However, I acknowledge and agree that the City will not be liable for any act or omission of any person or party who may have been a landlord before the City's acquisition of the Premises, and the City will not be subject to any offset or defenses which I may have against any such prior landlord.

14. Notification by Tenant. I agree to immediately notify City of the occurrence of any event or the discovery of any fact that would make any representation contained in this Estoppel Certificate inaccurate as of the date signed and any future date therefrom.

15. Reliance. I recognize and acknowledge that I am making these representations to the City with the intent that the City, and any of its assigns, will fully rely on my representations.

16. Binding. I recognize and acknowledge that my representations and the provisions of this Estoppel Certificate shall be binding upon and inure to the benefit of the successors, assigns, personal representatives and heirs of myself and the City.

17. Due Execution and Authorization. The undersigned, and the person(s) executing this Estoppel Certificate on behalf of the Tenant, represent and warrant that they are duly authorized to execute this Estoppel Certificate on behalf of Tenant and to bind Tenant hereto.

18. Rental Assistance. If you need assistance with rent payments, there are many resources available locally. Please visit the City and County of San Francisco's Mayor's Office of Housing and Community Development's rent relief resources page at: <https://sf.gov/information/rent-relief-resources> where you can find information on rent payment assistance, eviction defense, and housing counseling services.

[signature follows]

Tenant has signed this Estoppel Certificate as of _____, 2023.

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

**EXHIBIT A
COPY OF LEASE**

Attached.

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 _____

By: _____
[NAME]

Its: _____

EXHIBIT I

Intentionally Omitted.

EXHIBIT J

**PROPERTY EXEMPTION NOTICE
California Revenue and Tax Code Section 5082**

[San Francisco Assessor-Recorder
1 Dr. Carlton B. Goodlett Place
City Hall, Room 190
San Francisco, CA 94102-4698]

Office of the Controller
Budget and Analysis Division – Property Tax Unit
1 Dr. Carlton B. Goodlett Place, Room 306
San Francisco, CA 94102
email: con.badproptax@sfgov.org

[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 County Assessor and County Auditor]:

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

EXHIBIT K

WATER INTRUSION REPAIR WORK

Steelhead Engineers Memorandum #1 dated May 31, 2023, Attached.

31 May 2023



MEMORANDUM #1

To: Mimi Sullivan – Saida Sullivan Design Partners
Fr: Alan Burnett – Steelhead Engineers, Inc.
JN: 23015.00 – OME Apartments, 1174-1178 Folsom Street, San Francisco, California
Re: Basement Leakage

This memorandum summarizes our observations and remedial recommendations for the reported basement leakage at OME Apartments.

BACKGROUND

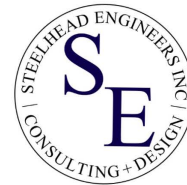
OME Apartments, completed in 2021, is a 6-story building with a full basement. There was basement leakage in the past and repairs resolved the leakage, except in the basement electrical room. Leakage occurred in the electrical room during the winter/spring 2023 rains. We reviewed the following documents related to this leakage:

- *Steep Rock Capital (SCR) Memorandum (26 April 2023)*: Star Waterproofing and Roofing (STAR) performed repairs at the floor/wall junctions. Three remaining leaks are in the electrical room at the concrete platform for electrical equipment. SRC proposed creating a sloped floor area in front of the equipment to direct water to a new sump pump; water will be removed via the sewer drain line (See Appendix).
- *Star Waterproofing and Roofing (STAR) Proposal (24 April 2023)*: STAR proposed to install waterproofing at the hole for the sump and create slope in the adjacent floor area for \$7,120.
- *Arch Plumbing, Inc (API) Proposal (25 April 2023)*: API proposed saw cutting a catch basin, installing perforated pipe and drain rock, and installing a sump pump for \$17,500.

SEI OBSERVATIONS

Alan Burnett of SEI visited the site on 24 May 2023. No exploratory probing was performed. Our observations in the electrical room are summarized below:

- The Electrical Room is on the Clementina Street side of the building. Large electrical equipment set on a concrete platform is located against the exterior basement wall; the exterior wall is visible on either end of the equipment (Photo 1).
- Efflorescence and water are visible on the side of the platform and on the concrete floor slab in front of these units (Photos 2 and 3). Efflorescence is also visible on the platform in the middle of the room (Photo 4).



- Efflorescence at the floor/wall joint and water on the floor are visible on the accessible wall areas on either side of the of the electrical equipment (Photos 5 and 6).

DISCUSSION

There is an active leak in the electrical room in the basement, as indicated by the observed efflorescence and water on the floor. Two remediation approaches are: (1) Perform repairs on the exterior face of the basement wall and (2) Perform the repairs from the interior. Since it will entail removing the sidewalk, landscaping and soil, Approach 1 is not a viable option. For Approach 2, the most common repair is to high-pressure injection of a flexible water-reactive material (e.g., polyurethane resin) into a targeted area to form a seal. This entails drilling holes where the leakage is occurring (i.e., at slab/wall junction), inserting metal ports into the holes, and injecting the waterproofing material under high pressure through the ports to the exterior side of the wall, creating a waterproofing barrier on the exterior side. For OME Apartments, injection repairs can be performed on the accessible wall areas on either side of the electrical equipment, in case the leaks are active at these segments of the cold joints. Since it is not practical to disconnect and move the electrical equipment, a containment system should be installed in front of the electrical equipment to address this portion of the leakage. The above-mentioned current owner-proposed basin and sump system would serve as a containment system; the floor would be sloped to a sump and a pump would remove the water from the sump. Confirmation is needed that the leakage will not deteriorate/corrode the electrical equipment.

enclosures: Photographs 1 to 6
 Appendix

PHOTOS



Photo 1: General view of electrical equipment. Note water on floor.



Photo 2: Efflorescence and water on floor in front of electrical equipment.

PHOTOS



Photo 3: Efflorescence at wall/slab cold joint behind electrical equipment.



Photo 4: Efflorescence on side of concrete platform in middle of electrical room.

PHOTOS



Photo 5: Efflorescence on wall base and water on floor adjacent to equipment (right side).



Photo 6: Efflorescence on wall base and water on floor adjacent to equipment (left side).

MEMORANDUM #1
OME Apartments, 1174-1178 Folsom Street, San Francisco, California
31 May 2023



APPENDIX

To: Dan Adams
City of San Francisco

Date: April 26th 2023

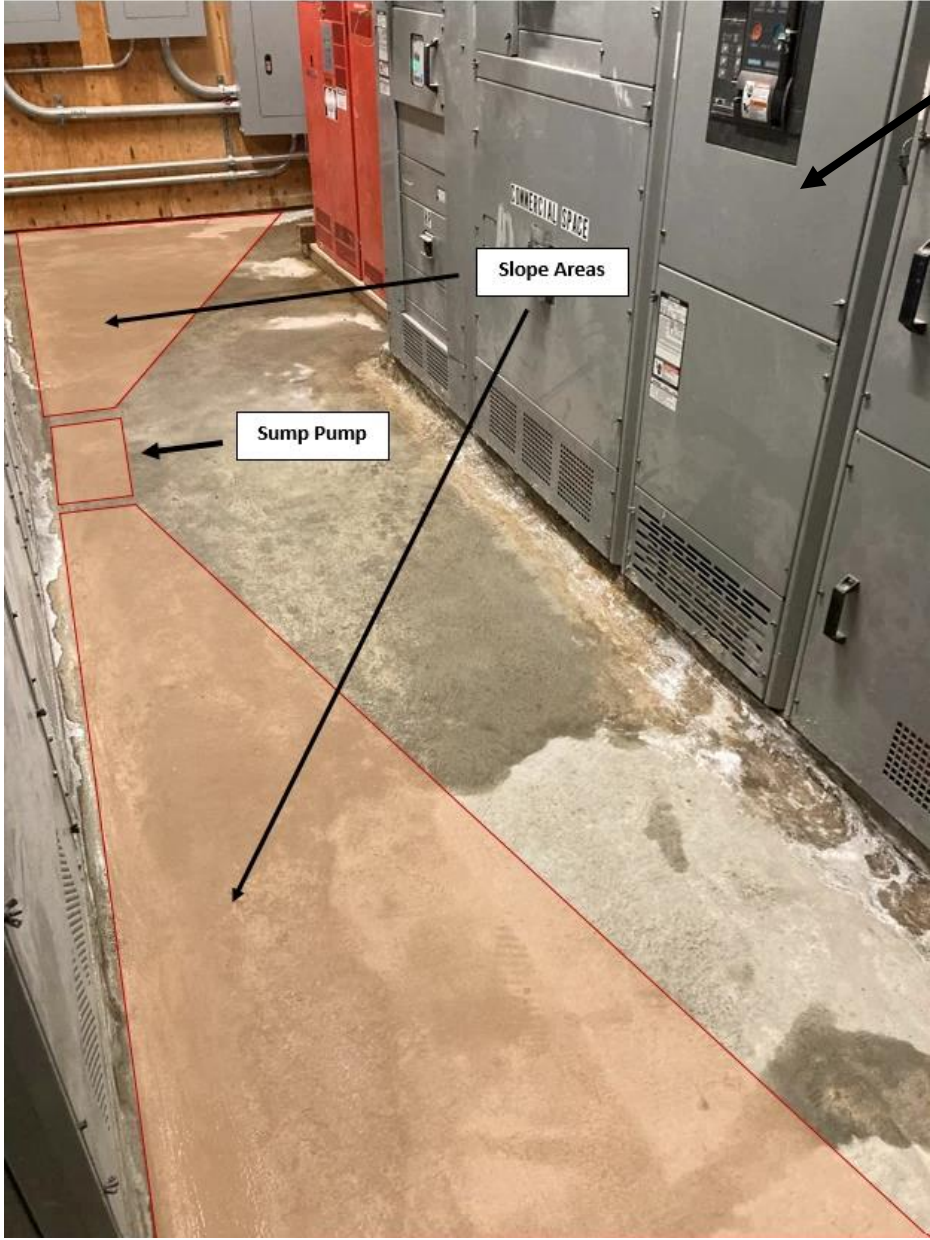
Subject: OME Apartments – Basement Concrete Work and Sump Pump Installation

Dan,

We met with Star Waterproofing at the OME Apartments on Tuesday, April 11th to discuss the remaining moisture in the basement mechanical room as a result of the heavy rains in San Francisco over last four months. Water penetration in the basement was limited to the mechanical room. Star Waterproofing waterproofed the transition between the floor and wall 4 weeks ago. Water is no longer entering the basement in the transition areas that Star Waterproofing addressed. While on site, Star Waterproofing identified three remaining areas (under the platforms built under the machinery against the back wall) where moisture is still entering due to the heavy rainfall. He noted that the moisture present when we were on site is consistent with moisture entering other commercial and residential basements across the San Francisco area.

His proposed solution to mitigate the impact of any future heavy rain fall is to create sloped concrete areas in the back of the mechanical room (in front of the three identified locations) to direct the water into a sump pump that will then remove the water via sewer drain line. There are two proposals attached to this email. The first is from Star Waterproofing for the concrete slope work, which will include waterproofing of the concrete area in which the sump system will be installed. The second quote from Arch Plumbing Inc. covers the installation of the sump pump system.

Star Waterproofing provided the basic diagram on the next page to illustrate the proposed work.



Back wall of
Mechanical
Room

Slope Areas

Sump Pump



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Proposed Acquisition: 1174 Folsom Street

Homelessness and Behavioral Health Committee | July 14, 2023



Acquisition Resolution

- Authorizes HSH to **acquire** the property at 1174-1178 Folsom and 663 Clementina Street for a total not-to-exceed amount of **\$27,225,000**.
 - Purchase price of **\$27,150,000** determined to be **at or below fair market rate**.
 - Estimated closing costs of \$75,000.
- Funding:
 - **Homekey** application submitted in May 2023 for up to **\$14,720,000** with notification anticipated in summer 2023.
 - **Prop C youth housing acquisition funds** to supplement award.

Property Overview



- Site spans 1174-1178 Folsom and 663 Clementina Street.
- **Proposed use:** 42 units of supportive housing with services for youth exiting homelessness.
- **New construction** (2021) with individual bathrooms, onsite laundry, outdoor and community space, an elevator, and easy access to transit.
- **3 retail spaces** and **one office space.**

Youth Homelessness in San Francisco

• 2022 PIT Count estimates **~1,000 youth ages 18 to 24** are unhoused on any given night in San Francisco

- ~400 stay in District 6
- 50% are in school or employed
- 38% are LGBTQ+

• **Ninth PSH acquisition** since 2020.

- Of eight sites already acquired - 987 units acquired with 77 serving youth.

All HSH Housing

- **13,183** total units/slots
- **9,122** site-based PSH units

Youth Housing

- **830** total units/slots
- **299** site-based PSH units



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Questions?

Thank you.



GENERAL PLAN REFERRAL

May 8, 2023

Case No.: 2023-004064GPR
Block/Lot No.: 3730/408-410
Project Sponsor: City and County of San Francisco Department of Homelessness and Supportive Housing
Applicant: Daniel Adams, Office of Mayor London Breed
Dan.Adams@sfgov.org
1 Dr Carlton B Goodlett Place
San Francisco, CA 94102
Staff Contact: Amnon Ben-Pazi – (628) 652-7428
Amnon.Ben-Pazi@sfgov.org

Recommended By: 
AnMarie Rodgers, Director of Citywide Policy for
Rich Hillis, Director of Planning

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

Project Description

The City and County of San Francisco Department of Homelessness and Supportive Housing proposes to purchase the property at 1174-78 Folsom/663 Clementina Street for use as permanently affordable supportive housing for formerly homeless households. The building was constructed in 2021 and includes 42 studio housing units and ground-floor commercial space.

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

Environmental Review

The proposed Project is a real estate transaction only. It is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

General Plan Compliance and Basis for Recommendation

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

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 1.A

ENSURE HOUSING STABILITY AND HEALTHY HOMES.

OBJECTIVE 1.B

ADVANCE EQUITABLE HOUSING ACCESS.

OBJECTIVE 1.C

ELIMINATE HOMELESSNESS.

OBJECTIVE 4.A

SUBSTANTIALLY EXPAND THE AMOUNT OF PERMANENTLY AFFORDABLE HOUSING FOR EXTREMELY LOW- TO MODERATE-INCOME HOUSEHOLDS.

Policy 3

Acquire and rehabilitate privately-owned housing as permanently affordable to better serve residents and areas vulnerable to displacement with unmet affordable housing needs.

Policy 8

Expand permanently supportive housing and services for individuals and families experiencing homelessness as a primary part of a comprehensive strategy to eliminate homelessness.

The Project is the acquisition of a recently constructed privately-owned residential building for use as permanently affordable supportive housing for formerly homeless households.

WESTERN SOMA AREA PLAN**OBJECTIVE 3.4****RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES.****Policy 3.4.2**

Consider acquisition programs of existing housing by government and/or community non-profit organizations for rehabilitation and dedication as permanently affordable housing.

The Project is the acquisition of an existing privately-owned residential building by the City, for use as permanently affordable supportive housing for formerly homeless households.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Project is the acquisition of an existing building which includes ground-floor commercial spaces that would be preserved. The Project would thus help preserve existing neighborhood-serving retail uses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The Project would conserve existing housing. It would protect neighborhood character by allowing San Francisco households that have experienced homelessness to continue living in the City, thus preserving the neighborhood's cultural and economic diversity.

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

The Project would enhance the City's supply of affordable housing. The Project is the acquisition of an existing privately-owned residential building for use as permanently affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The Project is the acquisition of an existing building. It would not result in commuter traffic impeding MUNI transit service or overburdening streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project is the acquisition of a predominantly residential building with ground-floor commercial space. Existing commercial uses would be retained. The Project would thus not cause displacement of businesses in the industrial or service sectors and will have no impact on future opportunities for resident employment or ownership in these sectors.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The Project is the acquisition of an existing recently built residential building which was constructed according to all required safety standards. It would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The Project is the acquisition of an existing building. It would have no impact on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The Project is the acquisition of an existing building. It would have no impact on the City's parks and open space and their access to sunlight and vistas.

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