

## PURCHASE OPTION AGREEMENT

(1236 Carroll Avenue, San Francisco)

This Purchase Option Agreement ("**Agreement**"), dated for reference purposes only as of \_\_\_\_\_, 2021, is made and entered into by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") and PROLOGIS, L.P., a Delaware limited partnership ("**Owner**").

A. Owner currently owns certain real property, consisting of approximately 4.91 acres of land in San Francisco, California, as more particularly described in the attached Exhibit A and as shown generally on the map attached as Exhibit A-1, including all improvements and fixtures located on such real property and appurtenances relating thereto (collectively, the "**Property**").

B. City desires to enter into this Agreement to obtain an option to purchase the Property from Owner, and Owner is willing to grant City such option, on the terms and conditions set forth herein.

**1. Option.** In consideration of the payment by City to Owner of the Option Consideration, as defined below, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Owner hereby grants to City an exclusive and irrevocable option to purchase the Property on the terms stated in this Agreement (the "**Option**").

(a) **Option Term.** This Agreement is effective as of the date it is fully signed and delivered by both parties and the Approval Date has occurred (the "**Effective Date**"). The Option shall commence on the Effective Date, shall continue on a month-to-month basis, and shall terminate at 5:00 P.M. California time on the date that is the earlier to occur of (i) City's delivery of the Option Notice, or (ii) June 1, 2022 ("**Option Term**"). As used in this Agreement, "**Approval Date**" means the date this Agreement is approved by the San Francisco Board of Supervisors and the Mayor of San Francisco. In the event that either the Approval Date has not occurred by June 4, 2021, or the Effective Date has not occurred by June 11, 2021, Owner may withdraw this offer by written notice to City.

(b) **Purchase Price.** If City exercises the Option, the purchase price for the Property shall be Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000) (the "**Purchase Price**"). The Purchase Price shall be payable in accordance with the Purchase Agreement (as defined in Section 1(f)).

(c) **Option Consideration.** City shall pay to Owner the sum of Fifteen Thousand Dollars (\$15,000) per month during the Option Term as nonrefundable consideration for the Option (the "**Option Consideration**"), until such time as City delivers the Option Notice (as defined in Section 1(d)). The initial payment of Option Consideration shall be due within ten (10) days of the Effective Date, and thereafter on or before the first day of each subsequent calendar month. The Option Consideration is payable at the address specified for Owner in Section 8, or such other place as Owner may designate in writing on not less than thirty (30) days' advance notice. The Option Consideration shall not be applied to the Purchase Price, and shall be retained

by Owner. If City does not exercise the Option by end of the Option Term, the Option shall automatically expire and terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligations under this Agreement except those expressly stated to survive.

**(d) Exercise of Option.** City may exercise the Option, if at all, by (i) giving written notice to Owner of the exercise of the Option (the “**Option Notice**”), and (ii) executing and delivering the Agreement of Purchase and Sale for Real Estate (the “**Purchase Agreement**”) attached as Exhibit B, prior to 5:00 p.m. local time in San Francisco on the last day of the Option Term. If City does not exercise the Option as provided in this Section 1(d) before the end of the Option Term, the Option shall automatically expire and terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive. Concurrently with executing this Agreement, Owner is delivering the partially executed Purchase Agreement to City to be held in escrow pursuant to the terms of this Agreement. The Purchase Agreement will be deemed to be effective only if City exercises the Option pursuant to the terms of this Agreement, and City is not in default of this Agreement beyond applicable notice and cure periods at the time it exercises the Option. In the event that this Agreement expires or is terminated and City delivers a Termination of Memorandum of Option (as defined below) to Owner, City will return the partially executed Purchase Agreement to Owner. This obligation will survive the termination of this Agreement.

**(e) Purchase Agreement.** Upon exercise of the Option, the terms and conditions of the Purchase Agreement shall apply and govern the parties’ obligations with respect to the sale and purchase of the Property, this Agreement shall terminate, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

**(f) Memorandum of Option.** Concurrently with its execution and delivery of this Agreement, Owner shall execute (with notarized signatures) and deliver to City an original Memorandum of Option in the form of Exhibit C, attached hereto. City may record the Memorandum of Option in the Official Records of San Francisco County, California. If City does not exercise the Option for any reason other than Owner’s Default (as defined below), City shall, if requested to do so by Owner, promptly deliver to Owner a quitclaim deed or other documentation in the form of Exhibit D so as to eliminate any cloud on Owner's title to the Property related to the Memorandum of Option and this Agreement (the “**Termination of Memorandum of Option**”). This obligation will survive the termination of this Agreement.

**(g) Termination.** Notwithstanding anything to the contrary, City may terminate this Agreement with 2 days written notice to Owner, provided that the termination will become effective upon the later of the date that (i) City delivers an executed Termination of Memorandum of Option to Owner, (ii) City returns the partially executed Purchase Agreement to Owner, or, if the Purchase Agreement is in escrow, City instructs the Title Company to return the partially executed Purchase Agreement to Owner, and (iii) City is current with its Option Consideration Payments.

**2. Condition Precedent.** The following are conditions precedent to City's exercise of the Option (collectively, the "**Conditions Precedent**"):

**(a) Exercise of Option Subject to Environmental Review.** City may not exercise the Option until there has been complete compliance with the California Environmental Quality Act ("**CEQA**"), the State CEQA guidelines (California Code of Regulations, tit. 14, §§ 15000 et seq.), and the City's Environmental Quality Regulations (San Francisco Administrative Code, Chapter 31). City intends, during the Option Term, to identify the actions and activities that would be necessary to develop the site and thereby facilitate meaningful environmental review. The City retains absolute discretion to: (1) make modifications it deems necessary to mitigate significant adverse environmental impacts, (2) select feasible alternatives that avoid significant adverse impacts, including the "no project" alternative, (3) balance the benefits of the purchase and the proposed project against the unavoidable significant impacts prior to taking final action, or (4) determine not to proceed with the purchase of the Property.

**(b) Approval of Title Conditions.** City shall have reviewed and approved title to the Property, as follows:

(i) City will review the Land, Condition of Title (Guaranty No. 6364105) issued by First American Title Insurance Company ("**Title Company**") as of August 17, 2020, and the Condition of Title (Guaranty No. 6350290) issued by Title Company as of August 10, 2020, accompanied by copies of all documents referred to in them, which City will cause to be updated (collectively, the "**Preliminary Report**");

(ii) Prior to execution of this Agreement, Owner delivered to City copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect title, use or development of the Property after the Closing (as defined below) and are not disclosed by the Preliminary Report, (collectively, the "**Unrecorded Documents**"), or, if Owner does not know of any Unrecorded Documents, a written certification of Owner to that effect; and

(iii) City may at its option arrange for an "as-built" survey of the Property prepared by a licensed surveyor (the "**Survey**"). Such survey shall be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for the Title Policy.

City shall determine, at least thirty (30) days prior to its exercise of the Option, what exceptions to title, if any, City is willing to accept (the "**Accepted Conditions of Title**"), and shall notify Owner of any title objections. Owner shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City and Title Company of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the consummation of the purchase and sale contemplated by the Purchase Agreement (the "**Closing**"); or (B) notice that Owner elects not to cause such exceptions to be removed. If Owner fails to respond to City regarding the title objections, Owner will be deemed to have elected clause (B). If Owner gives notice or is deemed to have given notice under clause (B), City shall have the remainder of the Option Term to elect to proceed with the purchase or terminate this Agreement. If City elects to proceed with the purchase of the Property, City will accept title to the Property with such exceptions, which will be deemed Accepted Conditions of Title. If Owner gives notice pursuant to clause (A) and fails to remove any such objectionable

exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, City shall have the rights and remedies provided in the Purchase Agreement.

If the Title Company revises the Preliminary Report to add or modify the Accepted Conditions of Title, City shall advise Owner within ten (10) days of receipt of such revised Preliminary Report whether it is willing to accept such new or modified exceptions to title, and the parties will follow the process set out in the previous paragraph to determine whether such revised title exceptions will be accepted by City; provided, however, that if City objects to any of the added or modified exceptions and they are due to the (i) act of Owner or any of its Agents, or (ii) failure of Owner to pay any taxes or other amounts when due, Owner must cause them to be removed from title or cured on or before the Closing. The Closing Date (as such term is defined in the Purchase Agreement) will be extended as needed for the time frames set forth in the previous paragraph.

**(c) Approval of Property Condition.** City shall have reviewed and approved, prior to its exercise of the Option, of the physical and environmental conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material.

**(d) Approval of Property Compliance.** City shall have reviewed and approved, prior to its exercise of the Option, of the compliance of the Property with all applicable laws, regulations, permits and approvals.

**(e) Approval of Documents and Other Information.** City shall have reviewed and approved, prior to its exercise of the Option the following documents, all to the extent such documents exist and are either in the possession or control of Owner or any affiliate of Owner, or may be obtained by Owner or any affiliate of Owner, through the exercise of commercially reasonable efforts, concerning the Property: (i) environmental reports, studies, tests and assessments; surveys; soils and geotechnical reports; property tax bills (2020 -2021); site plan; zoning compliance report, utility bills (PG&E and SF Water and Sewer for 2020 and initial months of 2021), documents regarding the condition of the Property, and any other contracts regarding the operation of the Property (collectively, the "**Documents**"), and (ii) such other information relating to the Property that is specifically requested by City of Owner in writing during the Option Term (collectively, the "**Other Information**"). Owner will use commercially reasonable efforts to provide any Other Information requested by City within five (5) business days of City's request for the Other Information. Prior to execution of this Agreement, Owner delivered to City all of the Documents. Owner makes no representations or warranties as to the accuracy or completeness of the Documents or Other Information.

**(f) Approval of City Agencies.** The transactions contemplated in the Purchase Agreement shall have been approved by all applicable City departments and agencies, including, without limitation, the San Francisco Fire Department and the San Francisco Fire Commission, in their respective sole discretion, on or before exercise of the Option.

**(g) Approval of Board of Supervisors and Mayor.** A resolution or an ordinance approving, adopting and authorizing this Agreement and the transactions must be adopted by City's Mayor and the Board of Supervisors, each in its respective sole discretion, and effective on or exercise of the Option.

The Conditions Precedent are solely for the benefit of City. If any Condition Precedent is not satisfied prior to the City's exercise of the Option, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement by delivery of written notice of termination to Owner and Title Company, provided that the Conditions Precedent described in items (a), (f) and (g) above may not be waived.

### **3. Due Diligence Activities During Option Term.**

(a) **Right of Entry.** During the Option Term, City may investigate any matters that may directly or indirectly affect the Property and/or the present or future value, use, control, operation or ownership of the Property. During the Option Term, City, its employees, contractors, consultants and agents (collectively, "**City's Agents**") shall have the right to enter upon the Property for the purpose of inspecting the Property. In connection with any such entry, City (i) acknowledges that all entry is at City's and City's Agents' sole risk, cost and expense, (ii) shall give Owner reasonable advance notice of such entry, and (iii) acknowledges that Owner or its representatives shall have the right to accompany City and City's Agents during any testing or other inspection performed on the Property. Without expanding or limiting the foregoing, City specifically agrees that prior to any entry to perform any invasive on-site testing, City shall give Owner written notice thereof, including the identity of the company or persons who will perform and the proposed scope of such invasive testing. Owner shall approve or disapprove the scope and methodology of such proposed testing within 3 business days after receipt of such notice, such approval may be withheld in Owner's sole and absolute discretion. If City or City's Agents take any sample from the Property in connection with any such approved testing, City shall provide to Owner a portion of such sample being tested to allow Owner, if it so chooses, to perform its own testing at Owner's sole cost, if Owner timely requests a portion of that sample before City or City's Agents perform the testing for that sample and the sample can be reasonably provided to Owner at no cost to City. Seller 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.

(b) **Insurance.** City shall cause third party City's Agents to maintain commercial general liability insurance, including broad form property damage, with limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate in form and substance adequate to insure against all liability of City and/or City's Agents, arising out of any entry or inspections of the Property pursuant to the provisions hereof, and City shall provide Owner with evidence of such insurance coverage before any such entry, including evidence that Owner is an additional insured on the commercial general liability policy. If any inspection or test disturbs the Property, City will promptly restore the Property to the same condition as existed before the inspection or test. City has informed Owner that it maintains a program of self-insurance that will cover City's obligations under this Agreement, and City is not required to carry any third-party insurance with respect to this Agreement. City assumes the risk of damage to any of City's personal property, except for damage caused by Owner or its agents. **CITY SHALL INDEMNIFY, DEFEND AND HOLD OWNER, OWNER'S AFFILIATES, PARTNERS, MEMBERS, SHAREHOLDERS, INVESTMENT MANAGERS, PROPERTY MANAGERS, TRUSTEES, DIRECTORS, OFFICERS,**

**EMPLOYEES AND AGENTS OF EACH OF THEM AND THEIR RESPECTIVE PREDECESSORS, HEIRS, SUCCESSORS, PERSONAL REPRESENTATIVES AND ASSIGNS AND THE PROPERTY HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, LOSSES, CLAIMS, LIENS, COST OR EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES) ARISING OUT OF OR RELATING TO ANY ENTRY ON THE PROPERTY BY CITY OR CITY'S AGENTS IN THE COURSE OF PERFORMING THE INSPECTIONS, TESTING OR INQUIRIES ON OR ABOUT THE PROPERTY, INCLUDING WITHOUT LIMITATION DAMAGE TO THE PROPERTY OR RELEASE OF HAZARDOUS SUBSTANCES OR MATERIALS ONTO THE PROPERTY EXCEPT TO THE EXTENT SUCH DAMAGE OR INJURY IS CAUSED BY THE ACTS OR OMISSIONS OF OWNER OR ANY OF ITS AGENTS. THE FOREGOING INDEMNITY SHALL NOT INCLUDE ANY CLAIMS RESULTING FROM THE DISCOVERY (WITHOUT EXACERBATION) OR DISCLOSURE OF PRE-EXISTING ENVIRONMENTAL CONDITIONS ON, IN, UNDER OR ABOUT THE PROPERTY. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT PROVIDED THAT OWNER MUST GIVE NOTICE OF ANY CLAIM IT MAY HAVE AGAINST CITY UNDER SUCH INDEMNITY (I) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS PLUS SIX (6) MONTHS IF THE CLAIM IS BROUGHT BY A THIRD PARTY AGAINST OWNER, OR (II) ON THE EARLIER TO OCCUR OF CITY'S ACQUISITION OF THE PROPERTY, OR WITHIN EIGHTEEN (18) MONTHS OF TERMINATION OF THIS AGREEMENT, IF THE CLAIM INVOLVES DAMAGE TO OWNER'S PROPERTY OR ANY OTHER CLAIM NOT BROUGHT BY A THIRD PARTY AGAINST OWNER.**

**4. Risk of Loss.** All risk of loss related to the Property shall remain with Owner until the Closing.

**(a) Change in Condition.** Owner shall immediately notify City of and provide City with all information related to: (1) any material damage or destruction to the Property or any portion thereof that occurs after the Effective Date; (2) any receipt after the Effective Date of notice of any potential eminent domain proceedings affecting all or a portion of the Property, the commencement of such proceedings after the Effective Date, or a taking after the Effective Date of all or a portion of the Property by eminent domain by anyone other than City; and (3) any other event that occurs after the Effective Date or information received or discovered by Owner after the Effective Date that could materially affect the value or use of the Property (each a "Change in Condition").

**(b) City Election.** If a Change in Condition occurs, City shall have the right, at its election to terminate this Agreement by written notice to Owner, in which case this Agreement shall expire and terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive. If City does not terminate this Agreement and agrees to accept the Property in its then condition and exercises the Option, then the Purchase Agreement will control.

**5. Default.**

(a) **Owner Default.** If Owner defaults in the performance of any of Owner's obligations, promises, or agreements under this Agreement or if Owner breaches any of its representations or warranties hereunder and does not cure such default within ten (10) days of written notice ("**Owner's Default**"), City shall elect one of the following: (i) waive Owner's Default, in which case this Agreement will remain in effect and City will not be entitled to any compensation or damages associated with Owner's Default; (ii) terminate this Agreement by written notice to Owner, in which case this Agreement shall terminate, Owner will reimburse City for its out of pocket due diligence costs not to exceed \$50,000, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive, or (iii) bring a suit for specific performance, provided that any suit for specific performance must be brought within ninety (90) days of the expiration of Seller's cure period. Notwithstanding the foregoing, solely in the event that City is unable to bring a suit for specific performance or obtain a remedy of specific performance because Owner has sold the Property or taken some other action that prevents the remedy of specific performance, City may bring an action for damages.

(b) **City Default.** If City defaults in the performance of any of City's obligations, promises, or agreements under this Agreement, and does not cure such default within ten (10) days of written notice, Owner may terminate this Agreement by written notice to City, in which case this Agreement shall terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

OWNER AND CITY AGREE THEY HAVE MADE GOOD FAITH REASONABLE EFFORTS TO DETERMINE WHAT OWNER'S DAMAGES, INCLUDING ANY ATTORNEYS' FEES, LOST PROFITS, AND OPPORTUNITY COSTS, WOULD BE IN THE EVENT OF A DEFAULT HEREUNDER BY CITY. OWNER AND CITY HAVE BEEN UNABLE TO ARRIVE AT ANY MEANINGFUL FORMULA OR MEASURE OF DAMAGES FOR CITY'S DEFAULT AND AGREE THAT SUCH DAMAGES WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE. IN THE EVENT THAT THIS AGREEMENT TERMINATES BECAUSE OF CITY'S DEFAULT, EXCEPT AS OTHERWISE SET FORTH IN SECTION 3(B), THE PARTIES AGREE THAT THE OPTION CONSIDERATION IS A REASONABLE ESTIMATE OF SUCH DAMAGES AND SHALL SERVE AS FULL LIQUIDATED DAMAGES. THE OPTION CONSIDERATION SHALL BE OWNER'S SOLE RIGHT TO DAMAGES AND SOLE REMEDY AT LAW OR IN EQUITY FOR CITY'S DEFAULT HEREUNDER, EXCEPT AS OTHERWISE SET FORTH IN SECTION 3(B). OWNER AND CITY FURTHER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THE FOREGOING LIQUIDATED DAMAGES PROVISION AND BY THEIR SIGNATURES IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS. THE PROVISIONS OF THIS SECTION 5(b) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Initials:            City: \_\_\_\_\_            Owner: \_\_\_\_\_

(c) **Damages Limited.** In no event shall either party be entitled to, or liable for, any special, consequential, indirect, or incidental damages arising out of or in connection with this Agreement or the Property, regardless of whether any claim is based on contract or tort.

**6. Notices.** Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

**To City:**

Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94102  
Attn: Director of Property  
Reference: Prologis – 1236 Carroll Avenue  
Facsimile No. (415) 554-4757  
Email: andrico.penick@sfgov.org

with a copy to:

Office of the City Attorney  
City and County of San Francisco  
Room 234, City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4682  
Attn: Real Estate Team Leader  
Reference: Prologis – 1236 Carroll Avenue  
Facsimile: (415) 554-4747  
Email: elizabeth.dietrich@sfcityatty.org

**To Owner:**

Prologis, L.P.  
c/o Prologis, Inc.  
Pier 1, Bay 1  
San Francisco, CA 94111  
Attn: Mark Hansen  
Email: mhansen@prologis.com

with a copy to:

Prologis, Inc.  
1800 Wazee Street, Suite 500  
Denver, CO 80202  
Attn: Jason Bost, Nick Noriega, Kirsten Pederson  
Email: jbost@prologis.com, nnoriega@prologis.com, kpederson@prologis.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 telefacsimile or email, to the telefacsimile number or email



address listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile or email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile or emailed copy of the notice.

**7. Maintenance; Consent to New Contracts**

**(a) Maintenance of Property.** Between the date of Owner's execution of this Agreement and the Closing, Owner shall maintain and operate the Property in substantially the same manner and the same condition as on the Effective Date, as if Owner were retaining the Property, including maintaining its existing policy or policies of insurance.

**(b) Consent to New Contracts.** After the date the City's Director of Property submits legislation for approval by City's Board of Supervisors of this Agreement, Owner shall not enter into or extend any lease or contract, option, or other agreement pertaining to the Property that will be an obligation affecting the Property or City subsequent to the Closing, or any amendment thereof, without in each instance obtaining City's prior written consent in City's sole discretion, excluding any contracts entered into in the ordinary course of business that are terminable without cause on not more than 30 days' notice and will not affect the Property or City subsequent to the Closing.

**8. No Encumbrance; Agreement Not to Market.** From the date the City's Director of Property submits legislation for approval of this Agreement by City's Board of Supervisors, Owner shall not: (a) cause, permit or suffer to exist any lien, mortgage, or deed of trust, to be created or placed upon the Property; (b) grant any encumbrance, right, restriction or easement with respect to the Property; (c) cause or permit any mortgage, deed of trust, or other lien to be foreclosed upon due to Owner's actions or omissions, including failure to make a required payment or failure to obtain any required consent; or (d) sell, convey, assign, transfer, or otherwise dispose of the Property, or any part thereof or interest therein. In addition, Owner shall not commence any legal or regulatory action with respect to the Property, without first obtaining the prior written consent of City. Owner agrees that unless and until this Agreement terminates pursuant to its terms, Owner shall not negotiate with any other parties pertaining to the sale of or option to purchase the Property or any interest in the Property, and shall not market the Property to third parties.

**9. Representations and Warranties.**

**(a) Owner's Representations and Warranties.** As of the date of this Agreement, Owner represents and warrants to and covenants with City all of those representations and warranties set forth in Section 8.1 of the Purchase Agreement, which representations and warranties are incorporated by reference as if fully set forth in this Agreement.

**(b) City's Representations and Warranties.** As of the date of this Agreement, City represents and warrants to and covenants with Owner all of those representations and warranties set forth in Section 8.2 of the Purchase Agreement, which representations and warranties are incorporated by reference as if fully set forth in this Agreement.

**10. Brokers.** 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 Colliers (City's broker), whose commission, if any is due, shall be the sole responsibility of City pursuant to a separate written agreement with such broker. If any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

## **11. Miscellaneous.**

(a) **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, legal representatives, administrators, and permitted assigns. City's rights and obligations hereunder shall not be assignable without the prior written consent of Owner; provided, however, even if Owner approves any such proposed assignment, in no event shall City be released of any of its obligations hereunder.

(b) **Amendments.** This Agreement may be amended or modified only by a written instrument signed by the City and Owner.

(c) **Governing Law.** This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California and City's Charter and Administrative Code.

(d) **Merger of Prior Agreements.** The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings, except to the extent there is a direct conflict between any written agreements regarding confidentiality.

(e) **Parties and Their Agents.** The term "**Owner**" as used herein shall include the plural as well as the singular. If Owner consists of more than one individual or entity, then the obligations under this Agreement imposed on Owner shall be joint and several. As used herein, the term "**Agents**" when used with respect to either party shall include the agents, officers, members, directors, partners, employees, commissioners, contractors, subcontractors, and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

(f) **Interpretation of Agreement.** The article, section, paragraph, and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited

to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated. This Agreement has been executed between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties.

**(g) Attorneys' Fees.** If either party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. For purposes of this Agreement, the reasonable fees of attorneys of City's Office of City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

**(h) Time of Essence.** Time is of the essence with respect to the performance of the parties' respective obligations contained herein and with respect to all dates set forth herein, including but not limited to Option Notice.

**(i) No Merger.** The surviving obligations contained herein shall not merge with the transfer of title to the Property but shall remain in effect until fulfilled.

**(j) No Liability of Owner Officials, Employees, and Agents.** Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee, or agent of City shall be personally liable to Owner, its successors, and assigns, in the event of any default or breach by City or for any amount which may become due to Owner, its successors, and assigns, or for any obligation of City under this Agreement.

**(k) Conflicts of Interest.** Through its execution of this Agreement, Owner acknowledges that it is familiar with the provisions of Section 15.103 of City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Owner shall immediately notify City.

**(l) Sunshine Ordinance.** Owner understands and agrees that under City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Government Code Section 6250 et seq.), this Agreement and any and all records,

information, and materials submitted to City hereunder are public records subject to public disclosure. Subject to Section 5, Owner authorizes City to disclose any records, information, and materials submitted to City in connection with this Agreement.

**(m) Tropical Hardwoods and Virgin Redwoods.** City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood, or virgin redwood wood product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environmental Code.

**(n) Recording.** Following the Approval Date and provided that this Agreement remains in effect, City may record a memorandum of this Agreement (and Owner agrees to execute such memorandum) in the form of Exhibit B attached hereto.

**(o) Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A signature delivered on any counterpart by facsimile or other electronic means shall for all purposes be deemed to be an original signature to this Agreement.

**(p) MacBride Principles - Northern Ireland.** City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.5, et seq. City also urges companies to do business with corporations that abide by the MacBride Principles. Owner acknowledges that it has read and understands the above statement concerning doing business in Northern Ireland.

**(q) Severability.** If any provision of this Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, unless enforcement of this Agreement as so modified would be unreasonable or grossly inequitable under all of the circumstances as would frustrate the fundamental purposes of this Agreement.

**(r) Waiver.** No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative of the waiving party, and only to the extent expressly provided in such written waiver. No waiver shall be deemed a subsequent or continuing waiver of the same, or any other, provision of this Agreement.

**(s) Contribution Limits; Contractors Doing Business with City.** Through its execution of this Agreement, Owner 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. Owner 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. Owner further acknowledges that the (i) prohibition on contributions applies to each Owner; each member of Owner's board of directors, and Owner's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Owner; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Owner; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Owner is contracting is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor. Additionally, Owner certifies that Owner 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.

**12. Confirmation of Sale by Owner's Board of Supervisors and Mayor.**

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, OWNER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS OPTION AGREEMENT UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT, AND AUTHORIZING THE OPTION TRANSACTION CONTEMPLATED HEREBY, AND CITY'S MAYOR APPROVES OF SAME. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT AND APPROVAL OF SUCH A RESOLUTION, AND THIS AGREEMENT SHALL BE AUTOMATICALLY TERMINATED IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT AT THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTION CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED OR APPROVED, NOR WILL ANY SUCH DEPARTMENT, COMMISSION, OR AGENCY APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

**[Signatures on following page]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

Owner:

PROLOGIS, L.P.,  
a Delaware limited partnership

By: Prologis, Inc.  
Its: general partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

City:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
Andrico Q. Penick  
Director of Property

Date: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Elizabeth A. Dietrich  
Deputy City Attorney

**EXHIBITS:**

- Exhibit A** – **Legal Description of Property**
- Exhibit A-1** – **Map of Property**
- Exhibit B** – **Purchase Agreement**
- Exhibit C** – **Form of Memorandum of Option**
- Exhibit D** – **Form of Termination of Memorandum of Option**

## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY

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

**PARCEL TWO:**

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HAWES STREET 32 FEET 1-½ INCHES TO A POINT DISTANT THEREON 168 FEET 10-½ INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE SOUTH 16° 11' EAST 61 FEET 4 INCHES; THENCE SOUTH 23° 51' WEST 29 FEET 6 INCHES TO A POINT DISTANT 100 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE ON LINE DRAWN AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY PARALLEL WITH THE SAID LINE OF ARMSTRONG AVENUE 46 FEET 10 INCHES TO A POINT DISTANT 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET ON A LINE DRAWN AT RIGHT ANGLES THERETO; THENCE NORTHEASTERLY 100 FEET TO THE POINT OF COMMENCEMENT.

BEING LOT NOS. 15 AND 16 IN BLOCK NO. 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 14 AND 15, BLOCK 4852

**PARCEL THREE:**

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; RUNNING THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET 168 FEET 10-½ INCHES TO THE NORTHEASTERLY LINE OF LOT 1, BLOCK 488, BAY VIEW HOMESTEAD ASSOCIATION, AS SHOWN ON MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTH 16° 11' EAST ALONG SAID NORTHEASTERLY BOUNDARY LINE 61 FEET 4 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 131 FEET 6 INCHES TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; AND RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF BANCROFT AVENUE 73 FEET 6-½ INCHES TO THE POINT OF COMMENCEMENT.

BEING LOT 1, BLOCK 488, OF THE BAY VIEW HOMESTEAD ASSOCIATION, AS PER MAP THEREOF RECORDED JUNE 19, 1872, IN LIBER "C" AND "D" OF MAPS, PAGE 3, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.  
ASSESSORS PARCEL NO.: LOT 12, BLOCK 4852

**PARCEL FOUR:**

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF BANCROFT AVENUE, DISTANT THEREON 73 FEET 6-½ INCHES SOUTHEASTERLY FROM THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF HAWES STREET (THE SAID POINT OF COMMENCEMENT BEING ALSO THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF LOT 1, IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION; AS SAID SOUTHEASTERLY LINE OF SAID LOT IS SHOWN ON MAP THEREOF RECORDED JUNE 19, 1872, IN BOOK "C" AND "D" OF MAPS, PAGE 3, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA); RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF BANCROFT AVENUE 26 FEET 5-½ INCHES TO A POINT DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE EASTERLY LINE OF HAWES



STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 46 FEET 10 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT 1 IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION, ABOVE REFERRED TO; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE 102 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE AND THE POINT OF COMMENCEMENT.

BEING A PORTION OF BLOCK 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 11 AND 13, BLOCK 4852

PARCELS TWO, THREE AND FOUR ALSO BEING DESCRIBED AS FOLLOWS:

BEING LOT NOS. 13, 14, 15 AND 16, IN BLOCK NO. 488, TIDE LANDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHEASTWARDLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET FOR 200 FEET TO THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE; THENCE SOUTHEASTWARDLY ALONG THE SAID SOUTHWESTERLY LINE OF ARMSTRONG AVENUE FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 17 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 17 FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 12 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 12 FOR 100 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHWESTWARDLY ALONG THE SAID NORTHEASTERLY LINE OF BANCROFT AVENUE FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE AND THE WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES, AS FIXED AND DESIGNATED BY THE BOARD OF TIDE LAND COMMISSIONERS OF THE STATE OF CALIFORNIA AND AS RESERVED PURSUANT TO CHAPTER 543 STATUTES OF 1868, AND AS SHOWN ON SHEET 13 OF THE MAP ENTITLED "HISTORIC SAN FRANCISCO MAPS" RECORDED JANUARY 31, 1975 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA IN [BOOK "W" OF MAPS, PAGES 40 THROUGH 54](#), INCLUSIVE, DISTANT THEREON 219 FEET 9-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE, 180 FEET 2-½ INCHES TO A POINT DISTANT THEREON 200 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BANCROFT AVENUE 339 FEET 3-½ INCHES TO A POINT DISTANT THEREON 60 FEET 8-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET, SAID POINT ALSO BEING LOCATED ON THE AFORESAID WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES; THENCE NORTHERLY TO THE POINT OF COMMENCEMENT.

BEING ALL OF LOT NOS. 6, 7, 8, 9, 10, 19, 20 AND 21, AND PORTIONS OF LOT NOS. 4, 5, 22, 23 AND 24, ALL IN BLOCK 488 SALT MARSH AND TIDE LANDS.

ASSESSORS PARCEL NO.: LOTS 2 THROUGH 8, AND LOTS 18 THROUGH 22, BLOCK 4852

PARCEL SIX:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE, NORTHWESTERLY ALONG SAID LINE OF BANCROFT AVENUE 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE

POINT OF BEGINNING.

BEING LOT NOS. 11, 12, 17 AND 18, IN BLOCK NO. 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 9, 10, 16 AND 17, BLOCK 4852

PARCEL ONE:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF CARROLL AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE SOUTHWESTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 200 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG SAID LINE OF CARROLL AVENUE 200 FEET TO THE POINT OF COMMENCEMENT.

BEING THE SOUTHEASTERLY 200 FEET OF BLOCK NO. 491, TIDE LANDS AND PART OF BLOCK NO. 491, BAY VIEW HOMESTEAD ASSOCIATION.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF BANCROFT AVENUE AND THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 400 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF CARROLL AVENUE 400 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HAWES STREET 200 FEET TO THE POINT OF BEGINNING.

BEING PART OF BLOCK 491, BAY VIEW HOMESTEAD.

APN: LOTS 1 AND 2, BLOCK 4877 (PARCEL ONE); LOTS 3 AND 4, BLOCK 4877 (PARCEL TWO)

**EXHIBIT A-1**

**MAP OF PROPERTY**

[Attached]

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

PROLOGIS, L.P.,  
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,  
as Buyer

For the purchase and sale of

Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22  
San Francisco, California

\_\_\_\_\_, 202\_

## TABLE OF CONTENTS

	<u>Page</u>
1. PURCHASE AND SALE .....	1
2. PURCHASE PRICE .....	1
2.1 Purchase Price.....	1
2.2 Payment.....	2
2.3 Funds.....	2
3. TITLE TO THE PROPERTY.....	2
3.1 Conveyance of Title to the Property .....	2
3.2 Title Insurance .....	2
3.3 Assignment of Intangibles .....	<b>Error! Bookmark not defined.</b>
4. BUYER'S DUE DILIGENCE INVESTIGATIONS .....	3
4.1 Due Diligence and Time for Satisfaction of Conditions.....	3
5. ENTRY .....	5
5.1 City's Conditions to Closing .....	5
5.2 Cooperation with City.....	6
6. ESCROW AND CLOSING.....	7
6.1 Opening of Escrow .....	7
6.2 Closing Date.....	7
6.3 Seller's Delivery of Documents .....	8
6.4 City's Delivery of Documents and Funds .....	8
6.5 Other Documents .....	8
7. EXPENSES AND TAXES .....	9
7.1 Apportionments.....	9
7.2 Closing Costs .....	9
7.3 Real Estate Taxes and Special Assessments.....	9
7.5 Post-Closing Reconciliation.....	9
7.6 Survival.....	10
8. REPRESENTATIONS AND WARRANTIES.....	10
8.1 Representations and Warranties of Seller.....	10
8.2 Indemnity .....	<b>Error! Bookmark not defined.</b>
9. RISK OF LOSS AND POSSESSION .....	12
9.1 Risk of Loss .....	12
9.2 Insurance.....	<b>Error! Bookmark not defined.</b>

9.3	Possession .....	13
10.	MAINTENANCE; CONSENT TO NEW CONTRACTS .....	13
10.1	Maintenance of the Property by Seller.....	13
10.2	City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts .....	13
11.	GENERAL PROVISIONS .....	13
11.1	Notices .....	13
11.2	Brokers and Finders .....	14
11.3	Successors and Assigns.....	15
11.4	Amendments .....	15
11.5	Continuation and Survival of Representations and Warranties .....	15
11.6	Governing Law .....	15
11.7	Merger of Prior Agreements .....	15
11.8	Parties and Their Agents; Approvals .....	15
11.9	Interpretation of Agreement.....	16
11.10	Attorneys' Fees.....	16
11.11	Sunshine Ordinance .....	16
11.12	Conflicts of Interest.....	17
11.13	Notification of Prohibition on Contributions .....	17
11.14	Non-Liability of City Officials, Employees and Agents .....	17
11.15	Memorandum of Agreement.....	<b>Error! Bookmark not defined.</b>
11.16	Counterparts .....	17
11.17	Effective Date .....	<b>Error! Bookmark not defined.</b>
11.18	Severability .....	17
11.19	Agreement Not to Market .....	18
11.20	Acceptance of Agreement by Seller .....	<b>Error! Bookmark not defined.</b>
11.21	Cooperative Drafting. ....	18

**LIST OF EXHIBITS**

- EXHIBIT A – Real Property Description
- EXHIBIT B – Grant Deed
- EXHIBIT C – Certificate of Transferor Other Than An Individual (FIRPTA Affidavit)

**AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE**  
(San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated as of \_\_\_\_\_, 202\_ (the "Effective Date"), is by and between PROLOGIS, L.P., a Delaware limited partnership ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

A. City and Seller are parties to that certain Purchase Option Agreement dated as of \_\_\_\_\_, 2021 (the "Option Agreement"), whereby Seller granted City an option to purchase the Property (as defined below) that is located at 1236 Carroll Avenue in San Francisco, California.

B. The Option Agreement provides that the purchase and sale of the Property will be pursuant to the terms of this Agreement. Seller executed and delivered this Agreement into escrow with Title Company (as defined in Section 3.2 [Title Insurance]) at the time that City took the Option Agreement to its Board of Supervisors for approval. Pursuant to the Option Agreement, City exercised its option to purchase the Property by notice dated as of the Effective Date, at which time City executed this Agreement.

IN CONSIDERATION of the respective agreements contained hereinbelow, Seller and City agree as follows:

**1. PURCHASE AND 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 4.91 acres of land, located in the City and County of San Francisco, commonly known as San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22 and more particularly described in Exhibit A attached hereto (the "Land");

(b) all improvements and fixtures located on the Land (collectively, the "Improvements"); and

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

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

**2. PURCHASE PRICE**

**2.1 Purchase Price**

The total purchase price for the Property is Thirty Eight Million Five Hundred Thousand Dollars (\$38,500,000) (the "Purchase Price"), provided that Closing occurs on or before the date thirty (30) days from the Effective Date. If Closing occurs after such date for reasons other than a Seller default, Buyer will pay a fee in the amount of Fifteen Thousand Dollars on the 31<sup>st</sup> day after

the Effective Date, and by an additional Fifteen Thousand Dollars for each thirty day increment thereafter, provided that in no event shall the Closing be extended for longer than six (6) months.

## **2.2 Payment**

On the Closing Date (as defined in Section 6.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes].

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3(b) and 6.3(c) [Seller's Delivery of Documents], City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

## **2.3 Funds**

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

# **3. TITLE TO THE PROPERTY**

## **3.1 Conveyance of Title to the Property**

At the Closing Seller shall convey to City marketable 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 B (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 3.2 [Title Insurance]).

## **3.2 Title Insurance**

Prior to the Effective Date, City has (i) reviewed and approved the title to the Property and a survey of the Property (the "Survey"), and (ii) obtained from First American Title Insurance Company (the "Title Company") a written commitment to issue to City an ALTA extended coverage owner's policy of title insurance (Form ALTA 2006) (the "Title Policy") in the amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements in City and subject only to the exceptions to title City is willing to accept or is deemed to have accepted (the "Accepted Conditions of Title"), and with such special endorsements as City is able to obtain from the Title Company. The Title Policy shall also provide for reinsurance with direct access with such companies and in such amounts as City may reasonably request.

If the Title Company revises the current title report dated \_\_\_\_\_, 202\_, to add or modify the Accepted Conditions of Title, City shall advise Seller within five (5) business days of receipt of such revised title report whether it is willing to accept such new or modified exceptions to title. Seller shall have five (5) business days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City and Title Company of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the consummation of the Closing; or (B) notice that Seller elects not to cause such exceptions to be removed. If Seller fails to respond to City regarding the title objections, Seller will be deemed to have elected clause (B). If Seller gives notice or is deemed to have given notice under clause (B) or if Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing, City shall either (1) terminate this Agreement by written



notice to Seller, or (2) waive such objections and proceed with the purchase of the Property, and City will accept title to the Property with such exceptions, which will be deemed Accepted Conditions of Title. The Closing Date (as defined in Section 6.2 [Closing Date]) will be extended as needed for the time frames set forth herein. Notwithstanding the foregoing, if City objects to any of the added or modified exceptions and they are due to the (i) act of Seller or any of its Agents, or (ii) failure of Seller to pay any taxes or other amounts when due, Seller must cause them to be removed from title or cured on or before the Closing, and if Seller fails to remove such objectionable exceptions from title prior to the Closing, Seller shall be in default hereunder and City shall have the rights and remedies provided herein.

#### **4. BUYER'S DUE DILIGENCE INVESTIGATIONS**

##### **4.1 Due Diligence**

Prior to the Effective Date, City has fully investigated the Property, either independently or through agents of City's own choosing, including, without limitation, conducting such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, and legal conditions of the Property as City deems appropriate, as well as the suitability of the Property for City's intended uses, and City accepts the Property in its AS-IS condition. Notwithstanding the foregoing, City has the right to access the Property pursuant to Article 3 of the Option Agreement, which terms and conditions are incorporated by reference as if fully set forth in this Agreement, and which obligations survive the Closing or the termination of this Agreement.

##### **4.2 Buyer's Reliance on its Investigations and Release**

The provisions of this Section 4.2 shall survive indefinitely the Closing, close of escrow and recordation of the Deed, and shall not be deemed merged into any of the Closing documents.

**(a) AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, SELLER AND CITY AGREE THAT EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.1 BELOW AND IN THE DOCUMENTS EXECUTED AND DELIVERED TO CITY BY SELLER UNDER SECTION 6.3 (COLLECTIVELY, "SELLER'S WARRANTIES"), SELLER IS SELLING AND CITY IS PURCHASING AND TAKING THE PROPERTY ON AN "AS IS" BASIS, WITH ANY AND ALL LATENT AND PATENT DEFECTS. CITY ACKNOWLEDGES THAT IT IS SOLELY RELYING UPON ITS EXAMINATION OF THE PROPERTY AND, EXCEPT FOR SELLER'S WARRANTIES, IT IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT OR OTHER ASSERTION OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, ITS AGENTS OR BROKERS AS TO ANY MATTER CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION: (I) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ACCESS, THE STRUCTURAL ELEMENTS, APPURTENANCES, PARKING FACILITIES, SEWAGE, AND UTILITY SYSTEMS, (II) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND ANY GROUNDWATER, (III) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY, (IV) THE DEVELOPMENT POTENTIAL OF THE PROPERTY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, SUITABILITY, VALUE OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (V) THE ZONING OR OTHER LEGAL STATUS OF THE PROPERTY OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON USE OF THE PROPERTY, (VI) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (VII)**

**THE PRESENCE OF HAZARDOUS MATERIAL (AS DEFINED IN SECTION 8.1 BELOW) ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY, (VIII) THE QUALITY OF ANY LABOR AND MATERIALS USED IN ANY IMPROVEMENTS ON THE LAND, (IX) THE CONDITION OF TITLE TO THE PROPERTY, AND (X) THE ECONOMICS OF THE OPERATION OF THE PROPERTY.**

City's Initials

**(b) WITHOUT LIMITING THE ABOVE, EXCEPT WITH RESPECT TO (1) A BREACH BY SELLER OF ANY OF IT SELLER'S WARRANTIES, (2) SELLER'S FAILURE TO PAY TIMELY PAY ANY AMOUNTS SELLER IS OBLIGATED TO PAY WITH RESPECT TO THE CONDITION OF THE PROPERTY DURING SELLER'S OWNERSHIP OF THE PROPERTY BY THE CITY AND COUNTY OF SAN FRANCISCO PURSUANT TO ITS REGULATORY AUTHORITY, CITY, FOR AND ON BEHALF OF ITSELF, AND ITS SUCCESSORS AND ASSIGNS, WAIVES ITS RIGHT TO RECOVER FROM AND FOREVER RELEASES AND DISCHARGES THE SELLER PARTIES FROM AND AGAINST ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COSTS) OF WHATEVER KIND OR NATURE, DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR FUTURE, CONTINGENT OR OTHERWISE (INCLUDING ANY ACTION OR PROCEEDING, BROUGHT OR THREATENED, OR ORDERED BY ANY APPROPRIATE GOVERNMENTAL ENTITY) THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY CONNECTED WITH OR RELATING TO THE PROPERTY OR ITS CONDITION OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING WITHOUT LIMITATION, THE PRESENCE, MISUSE, USE, DISPOSAL, RELEASE OR THREATENED RELEASE OF ANY HAZARDOUS OR TOXIC MATERIALS, CHEMICALS OR WASTES AT THE PROPERTY AND ANY LIABILITY OR CLAIM RELATED TO THE PROPERTY ARISING UNDER ANY STATE, LOCAL, OR FEDERAL ENVIRONMENTAL LAW (AS DEFINED BELOW); PROVIDED HOWEVER, THE FOREGOING RELEASE SHALL NOT OPERATE TO (1) RELEASE ANY CLAIM BY CITY AGAINST ANY PERSON OR ENTITY OTHER THAN SELLER, AND (2) PREVENT ANY GOVERNMENTAL REGULATORY AGENCY FROM PURSUING CLAIMS DIRECTLY AGAINST SELLER WITH RESPECT TO THE ENVIRONMENTAL CONDITION OF THE PROPERTY.**

City's Initials

**(c) CITY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:**

**"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**



The Conditions Precedent contained in the foregoing Subsections (a) through (h) are solely for the benefit of City. If any Condition Precedent is not satisfied prior to the Closing Date, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement by delivery of written notice of termination to Seller and Title Company, provided that the Conditions Precedent described in items (g) and (h) above may not be waived. City's waiver of the Condition Precedent described in item (d) above shall relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller of which City's Director of Property had knowledge of prior to Closing. If City terminates this Agreement, then neither party shall have any further rights and obligations under this Agreement, and City will promptly deliver an executed Termination of Memorandum of Option (as defined in the Option Agreement) to Seller.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller (after notice and ten days' opportunity to cure such default), City shall elect one of the following: (1) waive such default and proceed with the purchase (subject to all other terms of this Agreement), in which case City will not be entitled to any compensation or damages associated with the default; (2) terminate this Agreement by written notice to Seller, in which case this Agreement shall terminate, Seller will reimburse City for its out of pocket due diligence costs not to exceed \$50,000, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive, or (3) continue this Agreement pending City's action for specific performance hereunder, provided that any suit for specific performance must be brought within ninety (90) days of the expiration of Seller's cure period and City shall have fully satisfied all conditions to Closing except for those dependent upon Seller's performance. Notwithstanding the foregoing, solely in the event that City is unable to bring a suit for specific performance or obtain a remedy of specific performance because Seller has sold the Property or taken some other action that prevents the remedy of specific performance, City may bring an action for damages. This Agreement confers no present right, title or interest in the Property to City and City agrees not to file a lis pendens or other similar notice against the Property unless Seller attempts to sell, or enter into an agreement to sell, the Property to another party during the term of this Agreement, or after the proper filing of a suit for specific performance.

**Initials:**

\_\_\_\_\_                      \_\_\_\_\_  
City                                      Seller

**5.2 Cooperation with City**

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, provided that such cooperation is at no additional cost to Seller.

**5.3 Seller's Conditions to Close**

The obligations of Seller to consummate the transaction contemplated hereunder are contingent upon the following conditions (collectively, the "Seller's Closing Conditions"):

- (a) City's representations and warranties contained herein shall be true and correct in all material respects as of the Effective Date and the Closing Date.
- (b) As of the Closing Date, City shall have performed its obligations hereunder in all material respects and all deliveries to be made at Closing have been tendered.
- (c) There shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or

other proceedings, pending or threatened against City that would materially and adversely affect City's ability to perform its obligations under this Agreement.

If any of the Seller's Condition Precedent is not satisfied prior to the Closing Date, Seller shall have the right in its sole discretion either to waive in writing the Seller's Condition Precedent in question and proceed with the sale of the Property or, in the alternative, terminate this Agreement by delivery of written notice of termination to City and Title Company. If Seller terminates this Agreement, then neither party shall have any further rights and obligations under this Agreement, and City will promptly deliver an executed Termination of Memorandum of Option to Seller.

In the event the sale of the Property is not consummated solely because of a material default under this Agreement on the part of City (after notice and ten days' opportunity to cure such default), Seller may terminate this Agreement by delivery of written notice of termination to City. If Seller terminates this Agreement, then neither party shall have any further rights and obligations under this Agreement, and City will promptly deliver an executed Termination of Memorandum of Option to Seller.

## **6. ESCROW AND CLOSING**

### **6.1 Opening of Escrow**

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

Prior to the Effective Date, Seller executed and delivered this Agreement to City, to be held in escrow pursuant to the terms of the Option Agreement, subject to the condition that its signature on this Agreement will be deemed to be effective only if City exercises the option to purchase the Property pursuant to the terms of the Option Agreement, and City was not in default of the Option Agreement beyond applicable notice and cure periods at the time it exercised such option.

### **6.2 Closing Date**

The consummation of the purchase and sale contemplated hereby (the "Closing") shall occur by delivery of all items to be made at the Closing under the terms of this Agreement at the offices of Title Company, located at 601 California Street, Suite 900, San Francisco, California 94108, Escrow No. 6573572, with Lesley Kaufman as the designated escrow officer (telephone no.: (916) 490-4512 and email: LKaufman@firstam.com) on the date that is thirty (30) days from the Effective Date, or on such earlier date as City and Seller may mutually agree (the "Closing Date"). If City's funds are received on the scheduled Closing Date after 11:00 A.M. Pacific Time, then the Closing Date shall be automatically adjusted to the next business day. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on the Closing Date, then (i) either party may terminate this Agreement by written notice to the other party and to the Title Company (unless the notifying party is in default of its obligations under this Agreement), and (ii) Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such notice or termination or return of items shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

### **6.3 Seller's Delivery of Documents**

At or before the Closing, Seller shall deliver in escrow to Title Company, the following:

- (a) a duly executed and acknowledged Deed;
- (b) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit C, 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;
- (c) a properly executed California Franchise Tax Board Form 590 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;
- (d) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (e) an assignment and assumption of contracts in form satisfactory to City and Seller ("Assignment of Contracts") executed by Seller, if City is assuming any contracts from Seller pursuant to Section 10.2; and
- (f) closing statement in form and content satisfactory to City and Seller.

### **6.4 City's Delivery of Documents and Funds**

At or before the Closing, City shall deliver in escrow to Title Company the following:

- (a) an acceptance of the Deed executed by City's Director of Property;
- (b) a closing statement in form and content satisfactory to City and Seller;
- (c) an Assignment of Contracts executed by City, if applicable; and
- (d) the Purchase Price, as provided in Article 2 hereof.

### **6.5 Other Documents**

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

### **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 shall perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Seller and City shall

each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

## **7. EXPENSES AND TAXES**

### **7.1 Apportionments**

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

#### **(a) Utility Charges**

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

#### **(b) Other Apportionments**

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

### **7.2 Closing Costs**

City shall pay the cost of the Survey (if it elects to obtain one), the premium for the Title Policy and the cost of the endorsements thereto, and any escrow and recording fees. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company. The parties acknowledge transfer taxes will not apply to the sale of the Property to City under California Revenue and Taxation Code Section 11922 and San Francisco Business and Tax Regulation Code Section 1105.

### **7.3 Real Estate Taxes and Special Assessments**

General real estate taxes payable for the tax year of the Closing and all prior years shall be paid in full by Seller at or before the Closing; provided that Seller has the right to apply to the San Francisco Assessor's Office for a reimbursement of the prorated portion of the general real estate taxes for the tax year of the Closing applicable for the period following Closing. At or before the Closing, Seller shall pay the full amount of any special assessments issued against the Property before the Closing Date, including, without limitation, interest payable thereon; provided, however, that City must reimburse Seller at Closing for the prorated portion of those paid special assessments that apply to the period after the Closing Date.

### **7.4 Post-Closing Reconciliation**

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

## **7.5 Survival**

The provisions of this Article 7 shall survive the Closing.

## **8. REPRESENTATIONS AND WARRANTIES**

### **8.1 Representations and Warranties of Seller**

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

(a) To Seller's knowledge, Seller has not received a written notice of violation of any laws, rules or regulations applicable to the Property.

(b) To Seller's knowledge, the Documents Seller has delivered to City are the material documents about the condition of the Property to the extent such documents exist and are either in the possession or control of Seller or any affiliate of Seller, or may be obtained by Seller or any affiliate of Seller, through the exercise of commercially reasonable efforts.

(c) Seller has not received a written notice of any condemnation being instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(d) Except as disclosed in the Preliminary Report, to Seller's knowledge there are no leases, licenses or any other agreements that give any party the right to use or occupy any portion of the Property.

(e) To Seller's knowledge, other than as disclosed in the Documents or the Preliminary Report, there are (i) no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property except for the sewer system operated by the San Francisco Public Utilities Commission, (ii) no easements, rights of way, permits, licenses or other forms of written agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property, and (iii) no other agreements, understandings or restrictions with or for the benefit of any person or entity, whether private, public or quasi-public, that will be binding upon City or the Property after Closing.

(f) There is no litigation pending against Seller arising out of the ownership of the Property or the ability of Seller to perform its obligations under this Agreement.

(g) To Seller's knowledge, 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.

(h) Seller is a limited partnership, 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 qualified to do business in the State of California.

(i) 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, and will be legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms; and this Agreement and all documents executed by Seller that are to be delivered to City at the Closing will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) Seller has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency,



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

(k) Except as otherwise set forth in the Documents, to Seller's knowledge, (i) Seller has not received any written notice that the Property is in violation of any Environmental Laws; (ii) the Property is not now used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; and (iii) there is no current inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

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

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.), or Section 25281 of the California Health & Safety Code, or the Clean Water Act (33 U.S.C. Section 1251 et seq.), or the Porter-Cologne Water Quality Control Act (Water Code, Section 13000 et seq.); any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

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

(l) At the time of Closing, there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for, and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing.

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

(n) Seller is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who

Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

“Seller’s knowledge,” as used in this Agreement means the current actual knowledge of Mark Hansen, who is the person responsible for the Property among all Seller employees and officers, and without personal liability whatsoever. “Seller’s knowledge” does not include any duty of inquiry beyond Seller’s Agents or investigation beyond the information maintained by Seller or Seller’s Agents.

Seller’s representations and warranties concerning the Property (collectively, the “Property Representations”) are qualified by any knowledge obtained by City’s Director of Property during the term of the Option Agreement. By City’s exercise of its option to purchase the Property and execution of this Agreement, City shall be deemed to have accepted such qualification, and the Property Representations will automatically be made subject thereto without any adjustment to the Purchase Price. Seller may further qualify the Property Representations by notice delivered to City before the Closing Date, specifying with reasonable particularity the facts and circumstances known to Seller that make the applicable Property Representation false, misleading or inaccurate. If either a Seller Property Representation notice or if City obtains knowledge of any facts or circumstances that makes any Property Representation materially and adversely false, misleading or inaccurate (herein collectively referred to as “Exception Matters”), then City, as its sole remedy, may terminate this Agreement in its entirety within 3 business days after receipt of the Property Representation notice or after obtaining knowledge of such Exception Matters, and neither party shall have any further rights and obligations under this Agreement. Notwithstanding the foregoing, if City so elects to terminate this Agreement, Seller shall have the right, but not the obligation, to cure such Exception Matters within 30 days (and the Closing shall be delayed to the extent necessary to allow Seller the entire 30-day period within which to effect such cure) and if Seller cures such Exception Matters, then City’s right to terminate this Agreement as a result of such Exception Matters shall be revoked, null and void and this Agreement shall continue without termination (and, if the Closing Date is extended, Closing shall occur on the date that is 5 business days after Seller cures such Exception Matters).

## **8.2 Representations and Warranties of City**

As a material inducement to Seller to execute this Agreement and consummate this transaction, City represents and warrants to Seller as of the Effective Date and as of the Closing Date, as applicable, that:

(a) This Agreement has been duly authorized, executed and delivered by City, is a legal, valid and binding obligation on City pursuant to the terms herein, and is enforceable against City in accordance with its terms.

(b) As of the Closing Date, all documents executed by City which are to be delivered to Seller at the Closing will be duly authorized, executed and delivered by City, and will be legal, valid and binding obligations of City pursuant to the terms therein, and enforceable against City in accordance with their respective terms.

## **9. RISK OF LOSS AND POSSESSION**

### **9.1 Risk of Loss, Condemnation**

All risk of loss related to the Property shall remain with Seller until the Closing.

(a) Seller shall immediately notify City of and provide City with all information related to: (1) any material damage or destruction to the Property or any portion thereof that occurs after the Effective Date; (2) any receipt after the Effective Date of notice of any potential eminent domain proceedings affecting all or a portion of the Property, the

commencement of such proceedings after the Effective Date, or a taking after the Effective Date of all or a portion of the Property by eminent domain by anyone other than City (each a “Change in Condition”).

(b) If a Change in Condition occurs, City shall have the right, at its election to terminate this Agreement by written notice to Seller, in which case this Agreement shall expire and terminate, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive. If City does not terminate this Agreement and agrees to accept the Property in its then condition, Seller will assign to City of all Seller's right, title and interest in and to any insurance or condemnation awards and proceeds.

## **9.2 Possession**

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

## **10. MAINTENANCE; CONSENT TO NEW CONTRACTS**

### **10.1 Maintenance of the Property by Seller**

Between the Effective Date and the Closing, Seller shall maintain and operate the Property in substantially the same manner as on the Effective Date, as if Seller were retaining the Property, including maintaining its existing policy or policies of insurance.

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

During the term of this Agreement, Seller shall not (a) cause, permit or suffer to exist any lien, mortgage, or deed of trust, to be created or placed upon the Property; (b) grant any encumbrance, right, restriction or easement with respect to the Property; (c) cause or permit any mortgage, deed of trust, or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or failure to obtain any required consent; or (d) sell, convey, assign, transfer, or otherwise dispose of the Property, or any part thereof or interest therein. In addition, Seller shall not commence any legal or regulatory action with respect to the Property, without first obtaining the prior written consent of City. Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of or option to purchase the Property or any interest in the Property, and shall not market the Property to third parties. Seller shall terminate prior to the Closing, at no cost or expense to City, any contracts affecting the Property and any obligations in connection with the Property that would be binding upon City after Closing except only those that City has approved to survive the Closing that City will assume. Seller's obligations in the foregoing sentence shall survive the Closing.

## **11. GENERAL PROVISIONS**

### **11.1 Notices**

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

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

Attn: Director of Property  
Re: **Prologis – 1236 Carroll**  
Facsimile No.: (415) 552-9216  
Email: andrico.penick@sfgov.org

with copy to:

Elizabeth Dietrich  
Deputy City Attorney  
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4682  
Re: **Prologis – 1236 Carroll**  
Facsimile No.: (415) 554-4648  
Email: elizabeth.dietrich@sfcityattty.org

Seller:

Prologis, L.P.  
c/o Prologis, Inc.  
Pier 1, Bay 1  
San Francisco, California 94111  
Attn: Mark Hansen  
Email: mhansen@prologis.com

With a copy to:

Prologis, Inc.  
1800 Wazee Street, Suite 500  
Denver, Colorado 80202  
Attn: Jason Bost, Nick Noriega, Kirsten  
Pederson  
Email: [jbost@prologis.com](mailto:jbost@prologis.com),  
[mnoriega@prologis.com](mailto:mnoriega@prologis.com),  
[kpederson@prologis.com](mailto:kpederson@prologis.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 telefacsimile or email, to the telefacsimile number or email address listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile or email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile or emailed 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 Colliers (City's broker), whose commission, if any is due, shall be the sole responsibility of City pursuant to a separate written agreement with such broker. If any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

### **11.3 Successors and Assigns**

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and permitted assigns. City shall not assign this Agreement without the prior written consent of Seller, in its sole discretion.

### **11.4 Amendments**

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

### **11.5 Continuation and Survival of Representations and Warranties**

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing for a period of 6 months immediately following the Closing Date (the "Survival Period"); provided, however the indemnification provisions incorporated by reference in Section 4.1 [Due Diligence], the indemnification provisions of Section 11.2 [Brokers and Finders], and the provisions of Section 7.4 [Post-Closing Reconciliation] shall survive the termination of this Agreement or the Closing, whichever occurs, and shall not be merged, until the applicable statute of limitations with respect to any claim, cause of action, suit or other action relating thereto shall have fully and finally expired. Any claim based upon a misrepresentation or a breach of a covenant or warranty under this Agreement shall be actionable or enforceable if and only if: (i) notice of such claim is given to the party which allegedly made such misrepresentation or breached such covenant, obligation, warranty or agreement within the Survival Period; (ii) the amount of damages or losses as a result of such claim suffered or sustained by the party making such claim exceeds \$100,000.00 (the "Liability Floor"), and (iii) the aggregate liability of Seller for any and all such breaches or misrepresentation shall be limited to an amount equal to 3% of Purchase Price (the "Liability Ceiling"), provided that if the party's liability shall exceed the Liability Floor, such party shall be liable for the entire amount thereof up to the Liability Ceiling.

### **11.6 Governing Law**

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

### **11.7 Merger of Prior Agreements**

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

### **11.8 Parties and Their Agents; Approvals**

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be

joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

### **11.9 Interpretation of Agreement**

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

### **11.10 Attorneys' Fees, Damages**

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such final resolution of the dispute, as the case may be, shall pay the prevailing party's reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney. In no event shall either party be entitled to, or liable for, any special, consequential, indirect, or incidental damages arising out of or in connection with this Agreement or the Property, regardless of whether any claim is based on contract or tort.

### **11.11 Sunshine Ordinance**

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to 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.

## **11.12 Conflicts of Interest**

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

## **11.13 Notification of Prohibition on Contributions**

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

## **11.14 Non-Liability of City Officials, Employees and Agents**

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement.

## **11.15 Counterparts**

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A signature delivered on any counterpart by facsimile or other electronic means shall for all purposes be deemed to be an original signature to this Agreement.

## **11.16 Severability**

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that

enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

#### **11.17 Agreement Not to Market**

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

#### **11.18 Cooperative Drafting**

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

#### **11.19 Calculation of Time Periods**

All references to time are to Pacific time zone ("Pacific Time") unless expressly stated otherwise. References to "day" shall mean calendar days and references to "business day" shall mean a day that is neither a Saturday, Sunday or legal holiday for national banks in San Francisco, California. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the end of the next business day. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. Pacific Time.

#### **11.20 No Third-Party Beneficiary**

This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third-party beneficiary, decree or otherwise.



## **11.21 ADA Disclosure**

Seller makes the following statement based on Seller's actual knowledge in order to comply with California Civil Code Section 1938: The Land and the Improvements have not undergone an inspection by a Certified Access Specialist (CAsp).

## **11.22 Natural Hazard Disclosure Requirement Compliance**

City and Seller acknowledge that Seller will be required to disclose if the Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency (California Civil Code Section 1103(c)); (ii) an area of potential flooding (California Government Code Section 8589.4); (iii) a very high fire hazard severity zone (California Government Code Section 51183.5); (iv) a wild land area that may contain substantial forest fire risks and hazards (Public Resources Code Section 4136); (v) an earthquake fault zone (Public Resources Code Section 2621.9); or (vi) a seismic hazard zone (Public Resources Code Section 2694). Seller will request that Title Company (which, in such capacity, is herein called "Natural Hazard Expert") examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Seller to fulfill its disclosure obligations, if and to the extent such obligations exist, with respect to the natural hazards referred to in California Civil Code Section 1102.6c(a) and to report the result of its examination to City and Seller in writing, at least 5 days prior to the expiration of the Due Diligence Period. Provided City is made an express third party beneficiary of the written report prepared by the Natural Hazard Expert regarding the results of its full examination, the delivery of that report, fully and completely discharges Seller from its disclosure obligations referred to herein, if and to the extent any such obligations exist, and, for the purpose of this Agreement, the provisions of Civil Code Section 1102.4 regarding non-liability of Seller for errors or omissions not within its personal knowledge shall be deemed to apply and the Natural Hazard Expert shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above. Seller's execution of report(s) prepared by the Natural Hazard Expert pursuant to this Section shall in no manner supersede, modify or expand Seller's representations and warranties provided in Section 8.1 above, nor shall it modify the provisions in Section 4.2(a).

## **11.23 Section 1031 Exchange**

Notwithstanding anything to the contrary in this Agreement, Seller may consummate the sale of the Property as part of a so-called like kind exchange (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code (as may be amended from time to time, the "Code"), provided that: (a) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Agreement; (b) Seller shall effect the Exchange through an assignment of all or a portion of this Agreement, or its rights under this Agreement, to a qualified intermediary; (c) City shall not be required to take an assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; and (d) Seller shall pay any additional costs that would not otherwise have been incurred by either party had Seller not consummated its sale through the Exchange. City shall not by this agreement or acquiescence to the Exchange (x) have its rights under this Agreement affected or diminished in any manner, or (y) be responsible for compliance with or be deemed to have warranted to Seller that the Exchange in fact complies with Section 1031 of the Code. Seller agrees to indemnify and hold harmless City and its Agents from any claim, damage, liability, demand, cause of action, loss, cost, or expense (including, without limitation, reasonable attorney's fees) City or its Agents may suffer or incur as a result of

participation in such exchange. The parties' obligations under this Section shall survive the Closing.

*[SIGNATURES ON FOLLOWING PAGES]*

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

SELLER:

PROLOGIS, L.P.,  
a Delaware limited partnership

By: Prologis, Inc.  
Its: general partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

CITY:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
Andrico Q. Penick  
Director of Property

Date: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Elizabeth A. Dietrich  
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:

**PARCEL TWO:**

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HAWES STREET 32 FEET 1-½ INCHES TO A POINT DISTANT THEREON 168 FEET 10-½ INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE SOUTH 16° 11' EAST 61 FEET 4 INCHES; THENCE SOUTH 23° 51' WEST 29 FEET 6 INCHES TO A POINT DISTANT 100 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE ON LINE DRAWN AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY PARALLEL WITH THE SAID LINE OF ARMSTRONG AVENUE 46 FEET 10 INCHES TO A POINT DISTANT 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET ON A LINE DRAWN AT RIGHT ANGLES THERETO; THENCE NORTHEASTERLY 100 FEET TO THE POINT OF COMMENCEMENT.

BEING LOT NOS. 15 AND 16 IN BLOCK NO. 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 14 AND 15, BLOCK 4852

**PARCEL THREE:**

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; RUNNING THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET 168 FEET 10-½ INCHES TO THE NORTHEASTERLY LINE OF LOT 1, BLOCK 488, BAY VIEW HOMESTEAD ASSOCIATION, AS SHOWN ON MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTH 16° 11' EAST ALONG SAID NORTHEASTERLY BOUNDARY LINE 61 FEET 4 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 131 FEET 6 INCHES TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; AND RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF BANCROFT AVENUE 73 FEET 6-½ INCHES TO THE POINT OF COMMENCEMENT.

BEING LOT 1, BLOCK 488, OF THE BAY VIEW HOMESTEAD ASSOCIATION, AS PER MAP THEREOF RECORDED JUNE 19, 1872, IN LIBER "C" AND "D" OF MAPS, PAGE 3, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.  
ASSESSORS PARCEL NO.: LOT 12, BLOCK 4852

**PARCEL FOUR:**

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF BANCROFT AVENUE, DISTANT THEREON 73 FEET 6-½ INCHES SOUTHEASTERLY FROM THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF HAWES STREET (THE SAID POINT OF COMMENCEMENT BEING ALSO THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF LOT 1, IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION; AS SAID SOUTHEASTERLY LINE OF SAID LOT IS SHOWN ON MAP THEREOF RECORDED JUNE 19, 1872, IN BOOK "C" AND "D" OF MAPS, PAGE 3, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA); RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF BANCROFT AVENUE 26 FEET 5-½ INCHES TO A

POINT DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE EASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 46 FEET 10 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT 1 IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION, ABOVE REFERRED TO; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE 102 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE AND THE POINT OF COMMENCEMENT.

BEING A PORTION OF BLOCK 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 11 AND 13, BLOCK 4852

PARCELS TWO, THREE AND FOUR ALSO BEING DESCRIBED AS FOLLOWS:  
BEING LOT NOS. 13, 14, 15 AND 16, IN BLOCK NO. 488, TIDE LANDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHEASTWARDLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET FOR 200 FEET TO THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE; THENCE SOUTHEASTWARDLY ALONG THE SAID SOUTHWESTERLY LINE OF ARMSTRONG AVENUE FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 17 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 17 FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 12 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 12 FOR 100 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHWESTWARDLY ALONG THE SAID NORTHEASTERLY LINE OF BANCROFT AVENUE FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:  
COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE AND THE WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES, AS FIXED AND DESIGNATED BY THE BOARD OF TIDE LAND COMMISSIONERS OF THE STATE OF CALIFORNIA AND AS RESERVED PURSUANT TO CHAPTER 543 STATUTES OF 1868, AND AS SHOWN ON SHEET 13 OF THE MAP ENTITLED "HISTORIC SAN FRANCISCO MAPS" RECORDED JANUARY 31, 1975 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA IN [BOOK "W" OF MAPS, PAGES 40 THROUGH 54](#), INCLUSIVE, DISTANT THEREON 219 FEET 9-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE, 180 FEET 2-½ INCHES TO A POINT DISTANT THEREON 200 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BANCROFT AVENUE 339 FEET 3-½ INCHES TO A POINT DISTANT THEREON 60 FEET 8-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET, SAID POINT ALSO BEING LOCATED ON THE AFORESAID WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES; THENCE NORTHERLY TO THE POINT OF COMMENCEMENT.

BEING ALL OF LOT NOS. 6, 7, 8, 9, 10, 19, 20 AND 21, AND PORTIONS OF LOT NOS. 4, 5, 22, 23 AND 24, ALL IN BLOCK 488 SALT MARSH AND TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 2 THROUGH 8, AND LOTS 18 THROUGH 22, BLOCK 4852

PARCEL SIX:  
BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF

BANCROFT AVENUE; THENCE AT A RIGHT ANGLE, NORTHWESTERLY ALONG SAID LINE OF BANCROFT AVENUE 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE POINT OF BEGINNING.

BEING LOT NOS. 11, 12, 17 AND 18, IN BLOCK NO. 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 9, 10, 16 AND 17, BLOCK 4852

PARCEL ONE:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF CARROLL AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE SOUTHWESTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 200 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG SAID LINE OF CARROLL AVENUE 200 FEET TO THE POINT OF COMMENCEMENT.

BEING THE SOUTHEASTERLY 200 FEET OF BLOCK NO. 491, TIDE LANDS AND PART OF BLOCK NO. 491, BAY VIEW HOMESTEAD ASSOCIATION.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF BANCROFT AVENUE AND THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 400 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF CARROLL AVENUE 400 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HAWES STREET 200 FEET TO THE POINT OF BEGINNING.

BEING PART OF BLOCK 491, BAY VIEW HOMESTEAD.  
APN: LOTS 1 AND 2, BLOCK 4877 (PARCEL ONE); LOTS 3 AND 4, BLOCK 4877 (PARCEL TWO)

**EXHIBIT B**

**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, PROLOGIS, L.P., a Delaware limited partnership, 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 Property and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

*[SIGNATURES ON FOLLOWING PAGE]*

Executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PROLOGIS, L.P.,  
a Delaware limited partnership

By: Prologis, Inc., a Maryland corporation, its  
general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**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 \_\_\_\_\_                )

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 C**

**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: \_\_\_\_\_

**MEMORANDUM OF OPTION**

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  
Re: Prologis – 1236 Carroll

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

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

**MEMORANDUM OF OPTION**

THIS MEMORANDUM OF OPTION (“**Memorandum**”) is entered into as of \_\_\_\_\_, 2021, by and between PROLOGIS LP, a Delaware limited partnership (“**Owner**”) and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”).

1. The Owner currently owns certain real property, consisting of approximately 4.91 acres, located in the City and County of San Francisco, commonly known as San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22, as more particularly described in the attached Exhibit A and as shown generally on the map attached hereto as Exhibit A-1 (the “**Property**”).

2. City and the Owner have entered into that certain Purchase Option Agreement dated for reference purposes only as of \_\_\_\_\_, 2021 (the “**Option Agreement**”), pursuant to which Owner has granted to City the option to purchase the Property (“**Option**”) in accordance with the terms and conditions of the Option Agreement. The term of the Option commenced on \_\_\_\_\_, as defined in the Option Agreement, and as evidenced by the Resolution of the Board of Supervisors approved by the Mayor and shall expire on June 1, 2022, unless terminated earlier by City in writing.

3. The purpose of this Memorandum is to put third parties on notice of City’s rights under the Option Agreement with respect to the Property. This Memorandum is given subject to the terms of the Option Agreement and any amendments thereto. If there should be any conflict between this Memorandum and the Option Agreement, the terms of the Option Agreement shall govern. All of the terms of the Option Agreement are incorporated herein by this reference.

Owner:

PROLOGIS, L.P.,  
a Delaware limited partnership  
By: Prologis, Inc.  
Its: general partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

City:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
Andrico Q. Penick  
Director of Property  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:

\_\_\_\_\_  
Elizabeth A. Dietrich  
Deputy City Attorney

**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 \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.  
Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of California     )  
                                  ) ss  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.  
Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY

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

#### PARCEL TWO:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HAWES STREET 32 FEET 1-½ INCHES TO A POINT DISTANT THEREON 168 FEET 10-½ INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE SOUTH 16° 11' EAST 61 FEET 4 INCHES; THENCE SOUTH 23° 51' WEST 29 FEET 6 INCHES TO A POINT DISTANT 100 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE ON LINE DRAWN AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY PARALLEL WITH THE SAID LINE OF ARMSTRONG AVENUE 46 FEET 10 INCHES TO A POINT DISTANT 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET ON A LINE DRAWN AT RIGHT ANGLES THERETO; THENCE NORTHEASTERLY 100 FEET TO THE POINT OF COMMENCEMENT.

BEING LOT NOS. 15 AND 16 IN BLOCK NO. 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 14 AND 15, BLOCK 4852

#### PARCEL THREE:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; RUNNING THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET 168 FEET 10-½ INCHES TO THE NORTHEASTERLY LINE OF LOT 1, BLOCK 488, BAY VIEW HOMESTEAD ASSOCIATION, AS SHOWN ON MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTH 16° 11' EAST ALONG SAID NORTHEASTERLY BOUNDARY LINE 61 FEET 4 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 131 FEET 6 INCHES TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; AND RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF BANCROFT AVENUE 73 FEET 6-½ INCHES TO THE POINT OF COMMENCEMENT.

BEING LOT 1, BLOCK 488, OF THE BAY VIEW HOMESTEAD ASSOCIATION, AS PER MAP THEREOF RECORDED JUNE 19, 1872, IN LIBER "C" AND "D" OF MAPS, PAGE 3, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.  
ASSESSORS PARCEL NO.: LOT 12, BLOCK 4852

#### PARCEL FOUR:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF BANCROFT AVENUE, DISTANT THEREON 73 FEET 6-½ INCHES SOUTHEASTERLY FROM THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF HAWES STREET (THE SAID POINT OF COMMENCEMENT BEING ALSO THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF LOT 1, IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION; AS SAID SOUTHEASTERLY LINE OF SAID LOT IS SHOWN ON MAP THEREOF RECORDED JUNE 19, 1872, IN BOOK "C" AND "D" OF MAPS, PAGE 3, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA); RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF BANCROFT AVENUE 26 FEET 5-½ INCHES TO A

POINT DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE EASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 46 FEET 10 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT 1 IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION, ABOVE REFERRED TO; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE 102 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE AND THE POINT OF COMMENCEMENT.

BEING A PORTION OF BLOCK 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 11 AND 13, BLOCK 4852

PARCELS TWO, THREE AND FOUR ALSO BEING DESCRIBED AS FOLLOWS:

BEING LOT NOS. 13, 14, 15 AND 16, IN BLOCK NO. 488, TIDE LANDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHEASTWARDLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET FOR 200 FEET TO THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE; THENCE SOUTHEASTWARDLY ALONG THE SAID SOUTHWESTERLY LINE OF ARMSTRONG AVENUE FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 17 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 17 FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 12 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 12 FOR 100 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHWESTWARDLY ALONG THE SAID NORTHEASTERLY LINE OF BANCROFT AVENUE FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE AND THE WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES, AS FIXED AND DESIGNATED BY THE BOARD OF TIDE LAND COMMISSIONERS OF THE STATE OF CALIFORNIA AND AS RESERVED PURSUANT TO CHAPTER 543 STATUTES OF 1868, AND AS SHOWN ON SHEET 13 OF THE MAP ENTITLED "HISTORIC SAN FRANCISCO MAPS" RECORDED JANUARY 31, 1975 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA IN [BOOK "W" OF MAPS, PAGES 40 THROUGH 54](#), INCLUSIVE, DISTANT THEREON 219 FEET 9-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE, 180 FEET 2-½ INCHES TO A POINT DISTANT THEREON 200 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BANCROFT AVENUE 339 FEET 3-½ INCHES TO A POINT DISTANT THEREON 60 FEET 8-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET, SAID POINT ALSO BEING LOCATED ON THE AFORESAID WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES; THENCE NORTHERLY TO THE POINT OF COMMENCEMENT.

BEING ALL OF LOT NOS. 6, 7, 8, 9, 10, 19, 20 AND 21, AND PORTIONS OF LOT NOS. 4, 5, 22, 23 AND 24, ALL IN BLOCK 488 SALT MARSH AND TIDE LANDS.

ASSESSORS PARCEL NO.: LOTS 2 THROUGH 8, AND LOTS 18 THROUGH 22, BLOCK 4852

PARCEL SIX:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF



BANCROFT AVENUE; THENCE AT A RIGHT ANGLE, NORTHWESTERLY ALONG SAID LINE OF BANCROFT AVENUE 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE POINT OF BEGINNING.

BEING LOT NOS. 11, 12, 17 AND 18, IN BLOCK NO. 488, TIDE LANDS.  
ASSESSORS PARCEL NO.: LOTS 9, 10, 16 AND 17, BLOCK 4852

PARCEL ONE:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF CARROLL AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE SOUTHWESTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 200 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG SAID LINE OF CARROLL AVENUE 200 FEET TO THE POINT OF COMMENCEMENT.

BEING THE SOUTHEASTERLY 200 FEET OF BLOCK NO. 491, TIDE LANDS AND PART OF BLOCK NO. 491, BAY VIEW HOMESTEAD ASSOCIATION.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF BANCROFT AVENUE AND THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 400 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF CARROLL AVENUE 400 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HAWES STREET 200 FEET TO THE POINT OF BEGINNING.

BEING PART OF BLOCK 491, BAY VIEW HOMESTEAD.

APN: LOTS 1 AND 2, BLOCK 4877 (PARCEL ONE); LOTS 3 AND 4, BLOCK 4877 (PARCEL TWO)

**EXHIBIT D**

**FORM OF TERMINATION OF MEMORANDUM OF OPTION**

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  
Re: Prologis – 1236 Carroll

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)

**TERMINATION OF MEMORANDUM OF OPTION**

THIS TERMINATION OF MEMORANDUM OF OPTION (“**Termination**”) is entered into effective as of \_\_\_\_\_, 2021, by and between PROLOGIS LP, a Delaware limited partnership (“**Owner**”) and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”).

1. Owner currently owns certain real property, consisting of approximately 4.91 acres, located in the City and County of San Francisco, commonly known as San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22, as more particularly described in the attached Exhibit A (the “**Property**”).
2. City and Owner entered into that certain Purchase Option Agreement dated for reference purposes only as of \_\_\_\_\_, 2021 (the “**Option Agreement**”), pursuant to which Owner granted to City the option to purchase the Property in accordance with the terms and conditions of the Option Agreement.
3. Owner and City executed a Memorandum of Option to provide notice of the existence of the Option Agreement, which was recorded on \_\_\_\_\_, 2021 as Document No. \_\_\_\_\_ of Official Records of the County of San Francisco, California (the “**Memorandum**”).
4. The Option Agreement has been terminated effective as of \_\_\_\_\_. Owner and City are recording this Termination to remove the Memorandum from title on the Property.

Owner:

PROLOGIS, L.P.,  
a Delaware limited partnership

By: Prologis, Inc.

Its: general partner

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

City:

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_

Andrico Q. Penick

Director of Property

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_

Elizabeth A. Dietrich

Deputy City Attorney

**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 \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct. Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of California )  
 ) ss  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct. Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

**EXHIBIT A**  
**To Termination of Memorandum of Option**

**Legal Description**

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