

REAL ESTATE PURCHASE AND SALE AGREEMENT

[World Trade Center (APNs 534-055-01, 02 and 04)]

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation (“CITY”), and THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body corporate and politic of the State of California (“BUYER”), to be effective as of the date of execution by CITY (the “Effective Date”), when signed by the parties and approved by the San Diego City Attorney and BUYER’S General Counsel, as follows:

1. City Council Action Required. BUYER acknowledges that the closing of the transaction contemplated by this Agreement (the “Closing”) is expressly conditioned on prior authorization by the San Diego City Council (“Council Authorization”), which may or may not be granted. CITY shall not be obligated for any loss, financial or otherwise, which may be incurred by BUYER as a result of the San Diego City Council’s withholding of such authorization. BUYER expressly waives any claim for expense or loss which BUYER might incur as a result of CITY’S failure to close the transaction contemplated by this Agreement if it is not authorized by the San Diego City Council.
2. Redevelopment Agency Action Required. CITY acknowledges that the closing of the transaction contemplated by this Agreement (the “Closing”) is expressly conditioned on prior authorization by the Redevelopment Agency of the City Of San Diego (“Agency Authorization”), which may or may not be granted. BUYER shall not be obligated for any loss, financial or otherwise, which may be incurred by CITY as a result of the withholding of such authorization by the Redevelopment Agency of the City Of San Diego. CITY expressly waives any claim for expense or loss which CITY might incur as a result of BUYER’S failure to close the transaction contemplated by this Agreement if it is not authorized by the Redevelopment Agency of the City Of San Diego.
3. Purchase and Sale; Property. Under the terms and conditions of this Agreement and subject to obtaining Council Authorization and Agency Authorization, CITY shall sell and convey to BUYER, and BUYER shall purchase from CITY that certain real property located at 1250 Sixth Avenue, San Diego, CA 92101 (APNs 534-055-01, 02, and 04; the “Property”) consisting of approximately 30,000 square feet of land improved with a 12-story historic office building and parking garage, together with all rights and appurtenances thereto, and more particularly described in the Grant Deed (“Grant Deed”) attached hereto as **Exhibit A: Grant Deed**.
4. Leases. All leases within the Property are on month-to-month tenancies. At the Closing, CITY shall assign and BUYER shall assume each lease within the Property as of the Closing pursuant to an Assignment and Assumption of Lease Agreement, substantially in the form attached hereto as **Exhibit B: Assignment and Assumption of Leases**.
5. BUYER Responsible for Legal Compliance. BUYER shall be solely responsible for compliance with all laws, governmental regulations, and the direction of competent legal authority related directly or indirectly to BUYER’S intended use of the Property, all at

BUYER'S sole cost and expense. BUYER shall pay all costs ("BUYER'S Relocation Costs") to notify, relocate, and compensate all tenants of the Property, including without limitation CITY'S departments occupying space in the Property, pursuant to applicable state and federal relocation laws. BUYER shall protect, defend, indemnify, and hold CITY, its elected officials, officers, representatives, agents, and employees, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to BUYER'S officers, employees, invitees, guests, agents, or contractors, which arise out of or are in any manner directly or indirectly connected with BUYER'S efforts to comply with such legal requirements, including without limitation the vacating of tenants from the Property, and all expenses of investigating and defending against same, including without limitation attorney fees and costs. CITY may, at its election, participate in the defense of any claim related in any way to this indemnification.

6. BUYER'S Relocation Costs. BUYER'S Relocation Costs shall be an amount not to exceed Two Hundred Fifteen Thousand Dollars (\$215,000) (the "Relocation Credit"). At the Closing, the Purchase Price shall be credited in the amount of the Relocation Credit. Within thirty (30) days after the final determination of the actual BUYER'S Relocation Costs, BUYER shall deliver to CITY an accounting of such costs for each displaced person and in total.
 - 6.1. If the actual BUYER'S Relocation Costs exceed the Relocation Credit, BUYER shall bear those costs with no recourse to CITY.
 - 6.2. If the actual BUYER'S Relocation Costs are less than the Relocation Credit, BUYER shall pay to CITY the difference between the Relocation Credit and the actual BUYER'S Relocation Costs within thirty (30) days after the final determination of the BUYER'S Relocation Costs.
7. Purchase Price. The purchase price of the Property ("Purchase Price") shall be EIGHT MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS (\$8,230,000). BUYER acknowledges that the size of the property set forth above is an approximation, and agrees that any difference between the approximation of the Property's size set forth above and the actual size, as may be determined by a survey of the Property, shall have no effect on the Purchase Price. At the Closing, the Purchase Price shall be credited by the amount of the Relocation Credit.
8. Escrow. BUYER shall open an escrow (the "Escrow") within five (5) business days after the Effective Date with CHICAGO TITLE COMPANY (the "Escrow Holder"), with offices at 701 B Street, Suite 760, San Diego, CA 92101. The Escrow shall be open as of the date (the "Open Date") BUYER delivers this Agreement to Escrow Holder, signed by the parties.
 - 8.1. Critical Dates. As soon as practical after the Open Date, Escrow Holder shall ascertain the "Date of Agreement" and all other dates critical to the parties' performance of this Agreement, and advise the parties in writing of the dates so ascertained.

- 8.2. Additional Documents. The parties shall provide all further information, and execute and deliver all additional documents reasonably required by the Escrow Holder.
- 8.3. Prorations. All expenses, including without limitation scheduled rentals, utilities, and operating expenses, shall be prorated as of the date of the Closing. Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the parties by appropriate payment outside of the Escrow when the amount due is determined. The parties shall promptly adjust between themselves outside of the Escrow any rents received after the Closing.
- 8.4. Escrow Costs. CITY shall pay: (a) Preliminary Title Report fees; (b) all San Diego County documentary transfer taxes; (c) the fee for a standard-coverage California Land Title Association ("CLTA") Title Insurance Policy; (d) all charges for CITY'S document drafting and recording; and (e) one-half (1/2) of the Escrow Holder's fee. BUYER shall pay: (a) one-half (1/2) of the Escrow Holder's fee; (b) the incremental cost of any additional or extended-coverage title insurance beyond a CLTA Title Insurance Policy, if requested by BUYER; and (c) all charges for BUYER'S document drafting and recording. The Escrow Holder shall prorate fees and costs between the parties at the Closing.
9. Closing. The Closing shall be held at the Escrow Holder's offices on a date (the "Closing Date") to be determined by agreement between CITY and BUYER, but in no event later than **June 30, 2012**.
- 9.1. Payment of Purchase Price. Prior to the Closing, BUYER shall deposit the Purchase Price into the Escrow, either in cash, cashier's check, wire transfer, or other immediately available federal funds.
- 9.2. Parties to Sign Documents. Prior to the Closing, each party shall execute and deliver all instruments and documents reasonably required by the other party and the Escrow Holder to effect the Closing.
- 9.3. Taxes. All ad valorem taxes and special taxes or assessments levied or assessed against the Property for the year of the Closing, if any, shall be prorated at the Closing, effective as of the Closing Date. If the Closing occurs before the tax rate or the assessed valuation is fixed for the then-current year, the prorating of ad valorem taxes shall use the tax rate and the assessed valuation for the preceding tax year. The prorating of ad valorem taxes shall be subject to later adjustment once the actual tax statements for the year of Closing have been received, which agreement to re-prorate taxes shall survive the Closing. However, CITY shall not be responsible for any increase in ad valorem taxes resulting from improvements made to the Property by BUYER after the Closing Date.
10. Title. At the Closing, CITY shall convey good and indefeasible fee simple title to the Property to BUYER or BUYER'S nominee by the Grant Deed, subject to all acts done or suffered by BUYER, or claims made by, through, or under BUYER. To the actual

knowledge of CITY'S Real Estate Assets Department without further inquiry, as of the Effective Date there are no unrecorded liens, leases, or encumbrances against the Property.

11. Leasing by CITY. CITY shall not enter into any new leases with respect to the Property after the Effective Date without BUYER'S consent, unless this Agreement is terminated pursuant to its terms.
12. Acceptance of Property "As-Is". BUYER acknowledges it is purchasing the Property "as-is," excepting any claims or liability arising from the established gross negligence, recklessness, or intentional misconduct of CITY and its elected officials, officers, employees, representatives, and agents. BUYER is not relying on any representation or warranty of any kind, express or implied, oral or written, made by CITY or its elected officials, officers, employees, representatives, and agents with respect to the physical condition of the Property or its suitability for any particular use, or with respect to the existence or absence of hazardous substances in, on, under, or affecting the Property. CITY has not and does not make any warranty or representation regarding the fitness of the Property for any particular use, or as to its quality or merchantability. CITY shall not be liable or bound in any manner by any warranties, guarantees, promises, statements, representations, or information, either express or implied, pertaining to the Property and made or furnished by any real estate agent, broker, employee, servant, or other person representing or purporting to represent CITY, except as made in this Agreement.
 - 12.1. Hazardous Substances. "Hazardous substances" shall mean any hazardous liquid, solid, or gaseous material substances listed by the United States Environmental Protection Agency or the State of California as a hazardous substance, and any type of petroleum-related substances and their chemical constituents.
 - 12.2. Indemnity and Hold Harmless. BUYER shall protect, defend, indemnify, and hold CITY, its elected officials, officers, representatives, agents, and employees, harmless from and against any and all claims asserted or liability established which arise out of or are in any manner directly or indirectly connected with environmental liabilities resulting from BUYER'S use and occupancy of the Property at any and all times prior to the Closing and related to hazardous substances on, under, or affecting the Property, including without limitation costs of environmental assessments, costs of remediation and removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health-effect studies, and all costs and expenses of investigating and defending against same, including without limitation attorney fees and costs. BUYER'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established gross negligence, recklessness, or intentional misconduct of CITY and its elected officials, officers, employees, representatives, or agents. CITY may, at its election, participate in the defense of any claim related in any way to this indemnification.
 - 12.3. BUYER'S Waiver. Notwithstanding any provision of this Agreement to the contrary, if CITY makes any representation or warranty regarding the Property and BUYER learns that such representation or warranty is or might be untrue prior to the Closing

and BUYER elects to purchase the Property anyway, then BUYER shall be deemed to have waived any right to bring an action or proceeding against CITY, its agents, employees, or brokers regarding the representation or warranty.

13. Real Estate Commission. CITY has retained a real estate broker, CASSIDY TURLEY|BRE COMMERCIAL (“Cassidy”), to represent it in the transaction contemplated by this Agreement. CITY shall pay Cassidy a commission in the amount of ninety-eight one-hundredths of one percent (0.98%) of the sale price, as set forth in a separate agreement between CITY and Cassidy. BUYER and CITY each represent, warrant, and acknowledge that no other real estate commission, finder’s fee, or broker’s fee has been or will be incurred or paid in connection with the purchase and sale of the Property. The rights and obligations of BUYER and CITY pursuant to this section shall survive the Closing or termination of this Agreement.
14. Back-Up Offers. CITY may solicit, entertain, and accept back-up offers to purchase the Property (subject to the failure to close the transaction contemplated by this Agreement) at all times prior to the Closing.
15. Limitation on Resale. BUYER’S intended use of the Property is for the public purpose of providing homeless services and affordable housing. If BUYER sells the property within thirty-six (36) months after the Closing to an unaffiliated person or entity for any use other than the public purpose of providing homeless services and affordable housing, BUYER shall pay to CITY the net profit from the sale. The “net profit from the sale” shall mean the gross sale price less direct and usual and customary costs of sale, and less the Purchase Price under this Agreement. “Usual and customary costs of sale” may be reflected in a closing statement associated with the sale, and may include without limitation such costs as title and escrow fees, documentary transfer taxes, and a brokerage fee if paid to a licensed third party real estate broker unaffiliated with BUYER. Usual and customary costs of sale shall not include any commission, disposition fee, or rebates, and or direct payment of BUYER’S broker/consultant fees paid to BUYER or any other compensation paid to BUYER or any person or entity affiliated with BUYER.
 - 15.1. The foregoing limitation on resale shall not apply to a resale of the parking garage portion of the Property.
 - 15.2. Within the thirty-six (36) months following the Closing, if BUYER is required to provide a subsidy for the development of all or any portion of the Property, and subsequently sells all or any portion of the Property which has benefitted from the subsidy, then for purposes of calculating the net profit from the sale, the amount of the subsidy allocable to all or any portion of the Property that is being sold, shall be offset against the gross sales price.
16. BUYER’S Due Diligence Period. BUYER shall have sixty (60) days (the “BUYER’S Due Diligence Period”) after the Open Date to conduct BUYER’S due diligence, including without limitation examinations, reviews, and inspections of all matters pertaining to the purchase of the Property. BUYER may terminate this Agreement for any reason whatsoever

at any time during the BUYER'S Due Diligence Period. BUYER may waive the BUYER'S Due Diligence Period at any time and proceed to the Closing.

- 16.1. BUYER'S Contingencies. If BUYER discovers any matters that, if not corrected, would cause BUYER to terminate this Agreement ("BUYER'S Contingencies"), BUYER shall notify CITY in writing of all such BUYER'S Contingencies before the expiration of the BUYER'S Due Diligence Period. BUYER'S failure to so notify CITY within the BUYER'S Due Diligence Period shall mean no BUYER'S Contingencies exist.
- 16.2. BUYER'S Due Diligence. BUYER may enter upon the Property for the purpose of conducting environmental studies, surveys, and other examinations as BUYER shall reasonably deem necessary. BUYER shall notify CITY at least 48-hours prior to each such entry on the Property.
- 16.3. Preliminary Title Report. CITY, at CITY'S expense, shall deliver to BUYER a Preliminary Title Report for the Property. If BUYER disapproves the Preliminary Title Report, BUYER shall notify CITY in writing within twenty-one (21) days after receipt thereof. BUYER'S failure to so deliver such disapproval notice to CITY shall be deemed approval of the Preliminary Title Report.
- 16.4. Records Review. Upon reasonable prior notice to CITY, BUYER may review records in the possession and control of CITY'S Real Estate Assets Department pertaining to the Property. BUYER acknowledges that additional Property-related records may be in the possession and control of other CITY departments, including without limitation the Development Services Department and the Environmental Services Department. BUYER shall be solely responsible for contacting such other CITY departments to schedule a review of such additional records.
- 16.5. BUYER'S Reports. If the Closing does not occur for any reason other than CITY'S default of this Agreement, then at CITY'S request BUYER shall deliver to CITY at no charge copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies, and other similar items prepared by or for BUYER and pertaining to the Property.
- 16.6. CITY'S Reports. All reports, such as environmental reports, soils reports, surveys, and other similar documents prepared by third-parties and provided to BUYER by CITY or CITY'S representatives, shall be made available to BUYER at no charge as an accommodation to BUYER and without any representation or warranty as to their sufficiency, accuracy, completeness, or validity, and BUYER shall rely on them at its own risk. BUYER is advised to retain appropriate consultants to review all such documents and fully investigate the Property.
- 16.7. Standard of Conduct. Subject to tenants' rights under leases, BUYER may examine and inspect the Property only with prior notice to CITY and with a CITY representative. Such entry by BUYER shall be conducted in a manner so as not to

cause liability, damage, lien, loss, cost or expense to CITY or the Property, and so as not to interfere with or disturb any tenant at the Property. BUYER shall protect, defend, indemnify, and hold CITY harmless from any such liability, damage, lien, loss, cost, or expense.

16.7.1. Without limitation on the foregoing, BUYER shall not do any of the following without CITY'S prior written consent: (a) conduct any on-site activity; (b) contact any consultant or other professional engaged by CITY with respect to the Property, or any tenant of the Property, or any of their respective representatives; or (c) contact any source of information regarding the Property or its operation. A CITY representative must be present at all inspections, reviews, and examinations at the Property.

16.7.2. BUYER shall keep all information or data received or discovered in connection with any of the inspections, reviews, or examinations of the Property strictly confidential, except for disclosures reasonably necessary for BUYER'S acquisition of the Property, and except as required by law. BUYER shall ensure that each person receiving such information or data is obligated to keep the information strictly confidential. BUYER shall be responsible to CITY for each breach of the foregoing confidentiality restriction by any person provided such information by or through BUYER as though the breach were committed by BUYER, itself. The provisions of this section shall survive a termination of this Agreement.

17. CITY'S Deliveries. CITY shall deliver the following to Escrow Holder prior to the Closing:

- (a) A duly executed and acknowledged Grant Deed;
- (b) If needed, a duly executed certificate of "non-foreign" status, substantially in the form attached hereto as **Exhibit C: Non-Foreign Status Certificate**, and any state certificate needed to exempt CITY from state withholding requirements related to the sale of the Property;
- (c) A copy of the San Diego City Council Resolution authorizing the transaction contemplated by this Agreement;
- (d) A "Natural Hazard Disclosure Report," which will be supplied by Escrow Holder; and
- (e) Such other documents reasonably required to achieve the Closing.

18. BUYER'S Deliveries. BUYER shall deliver the following to the Escrow Holder prior to the Closing:

- (a) The Purchase Price by cash, cashier's check, wire transfer, or other immediately available federal funds;

- (b) Evidence reasonably satisfactory to CITY and Escrow Holder of BUYER'S authority to enter into this Agreement; and
 - (c) Such other documents reasonably required to achieve the Closing.
19. Mutual Deliveries. BUYER and CITY shall each execute and deliver to the Escrow Holder the following:
- (a) A closing statement of the Purchase Price and all adjustments and prorations required hereunder; and
 - (b) Such other documents, such as a transfer tax form, required by competent governmental authorities to achieve the Closing.
20. Disclaimers. As a material and essential inducement to CITY to enter into this Agreement, and as part of the determination of the Purchase Price, BUYER acknowledges, understands, and agrees with each of the following:
- 20.1. As-Is, Where-Is. The purchase and sale of the Property hereunder is and shall be made on an "as is, where is" basis. CITY has not made, does not make, and specifically negates and disclaims any representations or warranties of any kind or character whatsoever regarding the Property or its suitability for any particular use.
- 20.2. Sophistication of BUYER. BUYER represents and warrants it is a sophisticated buyer familiar with the ownership and operation of real estate projects similar to the Property and that it will acquire the Property solely on the basis of and in reliance on its own examinations and the title insurance protection obtained pursuant to this Agreement, and not on any information provided or to be provided to BUYER by CITY. BUYER agrees that the BUYER'S Due Diligence Period will provide BUYER adequate opportunity to complete all physical and economic examinations of the Property and its operation as BUYER requires.
- 20.3. Property Information. Information regarding the Property and its operation provided to BUYER by CITY shall be deemed only an accommodation to BUYER. CITY will not and shall not be obligated to make any investigation or verification of any information provided to BUYER, regardless of the source of such information. CITY makes no representation, and expressly disclaims any responsibility for the accuracy or completeness of such information.
21. Release. With the exception of any claims arising from CITY'S fraud or intentional misrepresentation, effective from and after the Closing, BUYER, for itself, its successors, assignees, representatives, employees, officers, and agents, releases and forever discharges CITY, its elected officials, officers, representatives, agents, employees, successors in interest and assigns, of and from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of service, expenses and compensation of any nature whatsoever, whether based on tort, contract, violation of

statutory duties, or other theory of recovery, and whether for compensation or punitive damages, injunctive relief or mandamus, or other equitable remedies which BUYER now has, or which may later accrue or be acquired, on account of, or in any way growing out of, or which are the subject of this Agreement, the Property, or the condition of the Property, including without limitation, any and all known or unknown claims resulting from the alleged acts or omissions of CITY, its elected officials, officers, representatives, agents or employees.

- 21.1. Section 1542 Waiver. BUYER acknowledges and agrees that the release of liability provision set forth above is a general release, and with the exception of any claims that may arise from CITY'S fraud or intentional misrepresentation, further expressly waives and assumes the risk of any and all claims against CITY arising from this Agreement, the Property, or the condition of the Property, and which exist as of the Closing, but of which BUYER does not know or suspect to exist, whether through ignorance, oversight, error, negligence or otherwise, and which, if known, would materially affect BUYER'S decision to enter into this Agreement and complete the Closing. BUYER expressly waives, as demonstrated by the signature set forth immediately below, the benefits and provisions of Section 1542 of the California Civil Code, and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

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

Waived by: THE REDEVELOPMENT AGENCY OF THE CITY OF
SAN DIEGO, a public body corporate and politic of the
State of California

BY: _____
Name: _____
Title: _____

22. CITY'S Mandatory Disclosure Statement. To comply with California law concerning disclosures to a potential purchaser, CITY elects to utilize a report prepared by Escrow Holder.

- 22.1. Flood Disaster Insurance. If CITY or CITY'S predecessor-in-interest has previously received Federal flood disaster assistance and such assistance was conditioned upon obtaining and maintaining flood insurance on the Property, Federal law (*i.e.*, 42 U.S.C section 5154(a)) mandates that prospective purchasers be advised that they will be required to maintain such insurance on the Property and that if such insurance is not maintained and the Property is thereafter damaged by a flood disaster, the purchaser may be required to reimburse the Federal Government for the disaster relief provided.

BUYER is hereby informed that to the actual knowledge of CITY'S Real Estate Assets Department no Federal flood disaster assistance has been provided regarding the Property.

- 22.2. Water Heater Bracing. BUYER shall accept all responsibilities, financial or otherwise, for water heater bracing on the Property, if required, and shall hold CITY harmless therefor.
 - 22.3. Mold. BUYER shall accept all responsibilities, financial or otherwise, related to the presence of mold on the Property, if any, and shall hold CITY harmless therefor.
 - 22.4. Lead Paint; Hazardous Substances. BUYER shall accept all responsibilities, financial or otherwise, related to the presence of lead paint and/or hazardous substances on the Property, if any, and shall hold CITY harmless therefor.
 - 22.5. Asbestos Disclosure. The Property contains asbestos. BUYER acknowledges receipt of copies of asbestos-related studies and reports in the possession of CITY'S Real Estate Assets Department. BUYER shall accept all responsibilities, financial or otherwise, related to the presence of asbestos on the Property, and shall hold CITY harmless therefor.
23. Mandatory Disclosure of Business Interests. Pursuant to San Diego City Charter section 225, BUYER shall make a full and complete disclosure of the name and identity of each person directly or indirectly involved in the transaction contemplated by this Agreement and the precise nature of their interest.
24. Default and Remedies.
- 24.1. CITY'S Pre-Closing Default. If CITY is in default of this Agreement prior to the Closing, BUYER may, at its option and as its exclusive remedy for such default, either: (a) terminate this Agreement by written notice to CITY and Escrow Holder; or (b) if the default resulted from a failure to transfer possession and title to the Property to BUYER at the Closing, seek and enforce specific performance of this Agreement.
 - 24.2. CITY'S Post-Closing Default. BUYER may seek and enforce any remedy available at law or in equity: (a) if CITY defaults on its obligations under this Agreement after the Closing; and (b) for any claim related to this Agreement arising from the established gross negligence, recklessness, or intentional misconduct of CITY and its elected officials, officers, employees, representatives, and agents. Notwithstanding the foregoing, CITY shall not be liable for any consequential or punitive damages.

- 24.3. BUYER'S Default. If BUYER is in default of this Agreement at any time, CITY may terminate this Agreement by written notice to BUYER and Escrow Holder, and/or seek and enforce any other remedy available at law or in equity.
- 24.4. Limited Liability. CITY'S liability for damages resulting from or under this Agreement shall be limited to either the Property or to BUYER'S funds received by CITY, and without resort to any other CITY assets.
25. Time of Essence. Time is of the essence to the performance of each and every obligation under this Agreement.
26. Interpretation. This Agreement shall be governed by the laws of the State of California. The section headings are for convenience only and shall not interpret, define or limit the scope or content of this Agreement. If any party is made up of more than one person or entity, then all are identified in the singular in this Agreement. If any right of approval or consent by a party is provided for in this Agreement, the party shall exercise the right promptly and reasonably, unless this Agreement expressly gives such party the right to use its sole discretion. The term "business day" shall mean Monday through Friday, excluding holidays recognized by the State of California and the City of San Diego.
27. CITY'S Consent, Approval. Whenever required under this Agreement, CITY'S consent or approval shall mean the written consent or approval of the Mayor of San Diego, or his or her designee.
28. BUYER'S Consent, Approval. Whenever required under this Agreement, BUYER'S consent or approval shall mean the written consent or approval of BUYER'S Executive Director or his or her designee.
29. Amendments. The terms and provisions of this Agreement may only be modified or amended pursuant to a written instrument signed by all parties hereto.
30. Successors and Assigns. The provisions of this Agreement shall inure to and bind the successors and assigns of the parties, except for a bona fide purchaser without notice and not affiliated with BUYER.
31. Assignment. This Agreement may not be assigned in whole or in part by BUYER without CITY'S prior written consent.
32. Attorney Fees & Costs. If any party brings an action or proceeding against another party under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses thereof, including without limitation reasonable attorney fees and costs. The "prevailing party" shall be that party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.

33. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and may be served personally or delivered by United States mail, postage prepaid, and addressed as follows:

CITY: THE CITY OF SAN DIEGO
Attention: Director, Real Estate Assets Department
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101

With a copy by First Class Mail to: SAN DIEGO CITY ATTORNEY
Attn: Real Property Section
1200 Third Avenue, Suite 1100
San Diego, California 92101

BUYER: Executive Director
REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
1200 Third Avenue, Suite 1400, MS 56D
San Diego, CA 92101

With a copy by First Class Mail to: General Counsel
REDEVELOPMENT AGENCY THE CITY OF SAN DIEGO
1200 Third Avenue, Suite 1100, MS 59
San Diego, CA 92101

34. Partial Invalidity. If any term, covenant, condition, or provision of this Agreement is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
35. Waiver. The Property is publicly owned and held in trust for the benefit of CITY'S citizens. CITY'S failure to insist upon the strict performance of any of BUYER'S obligations under this Agreement, in one or more instance, shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. CITY'S waiver of a default shall not be a waiver of any other default. Any waiver of a default must be in a writing executed by CITY to constitute a valid and binding waiver. CITY'S delay or failure to exercise a right or seek a remedy shall not be deemed a waiver of that or any other right or remedy under this Agreement, at law, or in equity. The exercise of any particular right or the use of any particular remedy for any default shall not waive the use of any other right or remedy for the same default or for another or later default. CITY'S failure to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY may at any and all times require the cure of the default.
36. No Affiliation. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or other affiliation between CITY and BUYER, or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of BUYER or any other party or entity.
37. Survival. Any obligation which accrues under this Agreement prior to the Closing or its

termination shall survive the Closing or such termination.

38. Entire Agreement. This Agreement represents the entire agreement between the parties for the purchase and sale of the Property, and supersedes all prior negotiations, representations or agreements, either oral or written.
39. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

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40. Authority to Contract. Each individual executing this Agreement on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Agreement is binding upon such person or entity in accordance with its terms. Each person executing this Agreement on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.

IN WITNESS WHEREOF, strictly subject to obtaining Council Authorization and Agency Authorization, this Agreement is executed to be effective as of the Effective Date.

Date: _____

THE REDEVELOPMENT AGENCY OF THE
CITY OF SAN DIEGO, a public body corporate
and politic of the State of California

BY: _____
Name: _____
Title: _____

Approved as to form and legality:

JAN I. GOLDSMITH, General Counsel of the
Redevelopment Agency

BY: _____
Name: _____
Title: _____

Date: _____

THE CITY OF SAN DIEGO, a California municipal
corporation

BY: _____
Name: _____
Title: _____

Approved as to form and legality:

JAN I. GOLDSMITH, San Diego City Attorney

BY: _____
Name: _____
Title: _____

Exhibit A: Grant Deed
Exhibit B: Assignment and Assumption of Leases
Exhibit C: Non-Foreign Status Certificate
Attachment 1: Hazardous Materials Warning and Disclaimer
Attachment 2: Commercial Property Owner's Guide to Earthquake Safety

Exhibit A: Grant Deed

*Recording requested by
The City of San Diego*

When Recorded Mail to:
OFFICE OF THE CITY CLERK
THE CITY OF SAN DIEGO
202 "C" ST., 2ND FLOOR, MS 2A
SAN DIEGO, CA 92101

APNs 534-055-01, 02 and 04

*Space above for Recorder's use.
NO RECORDING FEE DUE: CALIF. GOV. CODE §6103*

GRANT DEED

FOR VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged,

THE CITY OF SAN DIEGO,
a California municipal corporation ("GRANTOR"),

HEREBY GRANTS TO

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO,
a public body corporate and politic of the State of California ("GRANTEE"),

ALL THAT REAL PROPERTY (Assessor's Parcel Numbers 534-055-01, 02 and 04") consisting of approximate thirty thousand (30,000) square feet of land improved with a 12-story office building and parking garage located in the City of San Diego, County of San Diego, State of California, and more particularly described in the attached **Exhibit A to Grant Deed: Legal Description**, together with all rights and appurtenances thereto.

San Diego City Council Authorizing Resolution No. R-_____
Date of Final Passage: _____

GRANTOR:

THE CITY OF SAN DIEGO, a California municipal corporation

BY: _____
Name: _____
Title: _____

Exhibit A to Grant Deed: Legal Description

[Grant Deed]

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ (date) before me, _____
(name and title of the officer) personally appeared _____
_____ (name(s) of signer(s)),
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 B: Assignment and Assumption of Leases

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT OF LEASES (“Assignment”) is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("Assignor"), and THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body corporate and politic of the State of California ("Assignee"), to be effective as of the date of execution by Assignee (the “Effective Date”), when signed by the parties and approved by the San Diego City Attorney and Assignee’s General Counsel, as follows:

RECITALS

- A. Assignor, as owner of the real property and the improvements on it (collectively, the “Property”), located in the County of San Diego, California, commonly known as the World Trade Center Building located at 1250 Sixth Avenue, San Diego, CA 92101 (APNs 534-055-01, 02, and 04), and more particularly described in attached **Exhibit A: Legal Description**, and is the landlord under the leases (the “Leases”) described in attached **Exhibit B: Leases** that cover portions of the Property.
- B. Assignee is acquiring from Assignor all of Assignor’s right, title, and interest in and to the Property. In connection therewith, Assignor wants to assign to Assignee, and Assignee wants to accept the assignment of, all of Assignor’s rights and obligations under the Leases under the terms and conditions of this Assignment.

FOR VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties agree as follows:

- 1. **Assignment**. Assignor assigns, transfers, and conveys to Assignee all of Assignor’s rights and obligations under the Leases, together with all of the rents, income, receipts, revenues, issues, profits, security deposits, prepaid rents, and all other benefits arising or issuing from or out of the Leases, and together with any and all rights that Assignor may have against the tenants under the Leases, or any of them.
- 2. **Assumption**. Assignee hereby assumes all of Assignor’s rights and obligations under the Leases on or after the Effective Date.
- 3. **Assignee’s Indemnity Obligation**. Assignee shall protect, defend, indemnify, and hold Assignor harmless from and against any and all losses, costs, damages, liabilities, and expenses, including without limitation reasonable attorney fees, incurred by Assignor as a result of any claim arising under any of the Leases and based on events occurring on or after the Effective Date.
- 4. **Assignor’s Indemnity Obligation**. Assignor shall protect, defend, indemnify, and hold Assignee harmless from and against any and all losses, costs, damages, liabilities, and

expenses, including without limitation reasonable attorney fees, incurred by Assignee as a result of any claim arising under any of the Leases and based on events occurring prior to the Effective Date.

5. Warranties of Assignor. Assignor warrants and represents to Assignee, to the current actual knowledge of Assignor's Real Estate Assets Department without further inquiry, as to each Lease, as follows:
 - a. There are and will be no oral or written agreements with respect to any Lease allowing the tenant any reduction, abatement, concession, allowance, or subsidy of rent under its Lease or allowing the payment of any portion of the rent in any form other than in cash except as may be fully noted on the rent roll delivered to Assignee.
 - b. No rentals or other payments for periods in excess of one month have been received under any Lease except as reflected on the rent roll.
 - c. Assignor is not in violation of any Lease.
 - d. There is no prohibition set forth in any Lease with respect to Assignor's assignment of such Lease.
 - e. All painting, repairs, alterations, and other work to be performed by Assignor under each Lease have been fully performed by Assignor under each Lease and have been fully paid or will be fully performed and paid on or before the Effective Date.
 - f. No brokerage or leasing commission or other compensation will be due and payable to any person, firm, corporation, or other entity with respect to or on account of any such Lease. Assignor shall fully pay any such commissions or compensation as they come due, and Assignor shall protect, defend, indemnify, and hold Assignee harmless from and against any and all claims for such commissions or compensation.
6. No Partnership. This Assignment shall not create a partnership between or among the parties to this Assignment and their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. This Assignment is not intended, nor shall it be construed, to create any third-party beneficiary rights in any person who is not a party to this Assignment, including without limitation any tenant under a Lease.
7. Severability. If any term of this Assignment or the application of such term to a person or circumstance shall to any extent be declared invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected by it, and each term of this Assignment shall remain valid and enforceable to the fullest extent permitted by law.
8. Successors. This Assignment shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

9. Attorney Fees. If a dispute arises concerning the performance of the obligations under this Assignment or the meaning or interpretation of any provision of this Assignment, the party not prevailing in the dispute shall pay any and all costs and expenses incurred by the other party in establishing its rights under this Assignment, including, without limitation, court costs and reasonable attorney fees.

IN WITNESS WHEREOF, this Assignment is executed to be effective as of the Effective Date.

Date: _____
 "Effective Date"

THE REDEVELOPMENT AGENCY OF THE CITY
OF SAN DIEGO, a public body corporate
and politic of the State of California

BY: _____
Name: _____
Title: _____

Approved as to form and legality:

JAN I. GOLDSMITH, General Counsel of the
Redevelopment Agency

BY: _____
Name: _____
Title: _____

Date: _____

THE CITY OF SAN DIEGO, a California municipal
corporation

BY: _____
Name: _____
Title: _____

Approved as to form and legality:

JAN I. GOLDSMITH, San Diego City Attorney

BY: _____
Name: _____
Title: _____

Exhibit A: Legal Description

Exhibit B: Leases

Exhibit A to Assignment and Assumption of Leases: Legal Description

Exhibit B to Assignment and Assumption of Leases: Leases

Exhibit C: Non-Foreign Status Certificate

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